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HEARING

BEFORE THE

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

ONE HUNDREDTH CONGRESS

SECOND SESSION

EAST EUROPEAN *PERESTROIKA*:
UNITED STATES AND SOVIET FOREIGN POLICY OPTIONS

MARCH 15, 1988

Printed for the use of the
Commission on Security and Cooperation in Europe

[CSCE 100-2-27]

U.S. GOVERNMENT PRINTING OFFICE
85-149 WASHINGTON : 1988

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

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85-149 O - 88 - 1

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PUBLIC HEARING ON EAST EUROPEAN *PERESTROIKA*: UNITED STATES AND SOVIET FOREIGN POLICY OPTIONS

TUESDAY, MARCH 15, 1988

COMMISSION ON SECURITY AND
COOPERATION IN EUROPE,
Washington, DC.

The Commission met, pursuant to notice, in room 2255, Rayburn House Office Building, Washington, DC, at 10:13 a.m., Representative Steny H. Hoyer (chairman) presiding.

In attendance from the Commission: Representatives Edward J. Markey and Christopher H. Smith.

Also in attendance: Mary Sue Hafner, deputy staff director and general counsel; Jane S. Fisher, senior staff consultant; and Mike Amitay, hearing coordinator.

OPENING STATEMENT OF CHAIRMAN HOYER

Chairman HOYER. I call this hearing on *perestroika* to order.

I will make a brief opening statement to place some context to our hearing. We are expecting, I will tell the Ambassador and others of you who are going to testify, a number of other members here. There are so many hearings going on and the cochairman, Senator DeConcini, is himself chairing another subcommittee hearing, but he hopes to get here, but he is obviously going to be late.

I welcome all of you today to examine with us a topic that is not only timely, but critical to the constructive development of East-West relations.

Today the Commission will examine the nations of Eastern Europe that are faced with challenging new opportunities to redefine their relationships with the Soviet Union and the West. Decades of Soviet hegemony are being tested like never before, tested by ideas and policies associated with *glasnost* and *perestroika*, programs championed by Soviet Leader Mikhail Gorbachev.

This complex relationship between the Soviet style reforms and the Eastern bloc nations is not the sole focus of this hearing. The domestic policies of East European leaders are of importance to the United States, and even more to the Soviet Union. A timely and measured U.S. response to new developments provide opportunities for the United States to forge potentially valuable new political, cultural and economic ties with East European countries previously impervious to all but the most limited ties with the West.

What complicates the nature of the American response to fast moving events in Eastern Europe is the anything but uniform pace

and structure of the undertakings. Each leader faces different pressures and circumstances, and subsequently each exhibits varying degrees of commitment to the reform process. Previous attempts to ride the winds of change ended in disaster for former Hungarian, Polish and Czechoslovak leaders, and the present leaders are not prone to risk-taking while Gorbachev's position and policies could fall victim to a conservative Soviet leadership shift. A wait-and-see attitude prevails among many of the East European leadership, until some positive signs of success develop from the Soviet model.

What is certain is that in every East European country, Gorbachev's reform programs have raised popular expectations to new levels. In every country except Romania there have been at least cursory attempts to publicize the Soviet reform drives. The restructuring of industry, multiple candidate elections and anticorruption campaigns are among the Soviet style changes being considered by several East European Communist Parties. It is ironic that the impetus for reform appears to come from the Soviet Union. When protesting East German youths were recently confronted by police, in close proximity to the President's visit in Berlin, their chants rang out "Gorbachev, Gorbachev."

The crucial dilemma facing East bloc leaders is this: How far can reforms proceed without jeopardizing their own leading roles, or the position of the party, in policy formation and public life? Are these leaders willing to institute economic and political reform at the cost of questioning the very foundations of Marxism and their own political power base? And given the changes being discussed in the Soviet Union, what are the limits on reforms in Eastern Europe?

All of these questions will be addressed by some much more knowledgeable than I, some of the real experts in this country. Seated before us today is a very distinguished group. I do not refer to Ambassador Kirkpatrick as a group, but following Ambassador Kirkpatrick will be a panel.

First, of course, we have Dr. Jeane Kirkpatrick. Ambassador Kirkpatrick was the U.S. representative to the United Nations for more than 4 years, and served in President Reagan's Cabinet. Ambassador Kirkpatrick, as I am sure most of you know, is currently a senior fellow at the American Enterprise Institute and was a professor at Georgetown University for 14 years.

She is one of America's most influential spokespersons as it relates to foreign policy and as it relates to East-West relations.

We are indeed honored to have you with us, Ambassador Kirkpatrick. And as I said earlier, other members of the Commission as their other responsibilities allow, will be joining us during the course of this hearing. We would like you to proceed in anyway in which you so choose.

STATEMENT OF AMBASSADOR JEANE J. KIRKPATRICK

Ambassador KIRKPATRICK. Thank you very much, Mr. Chairman, and thank you for inviting me.

Let me express my personal gratification at your organization of these hearings at this time on this extremely important subject. What I should like to do is make some remarks, relatively brief re-

marks, and then as I understand it, your format is relatively brief remarks and then some questions and discussion.

Chairman HOYER. That is generally our format, but your remarks and observations can be as extensive as you feel appropriate.

Ambassador KIRKPATRICK. Thank you, Mr. Chairman.

I should like to begin simply by stating that I fully concur with your judgment that the arrival of Mikhail Gorbachev in power and his embrace of policies of *perestroika* and *glasnost* constitute an important moment in East-West relations, and also in Soviet relations with the countries of Eastern Europe.

I have reflected a good deal on the initiatives of General Secretary Gorbachev. I have read his book. I had the opportunity to meet with him and listen to him discuss at first-hand his intentions. And I am persuaded first of the importance of his intentions at reform. I believe that the General Secretary has understood that the current organization of the Soviet Union leads not to the Leninist, much less Marxist dream of a thriving, participatory and productive society, but instead to stagnation. I think he has understood that the Soviet Union cannot maintain itself as a major power under current conditions.

I believe, Mr. Chairman, that the discussion of former President Richard Nixon in the current Newsweek is insightful and precise, and merits the Commission's attention as well on this question of Gorbachev's seriousness. I believe that Gorbachev's plans for reform are sweeping, and that his hopes for internal economic reform will lead, if fulfilled, to a more economically productive and modernized Soviet society.

I think that his sincerity concerning the modernization of the Soviet economy cannot be reasonably doubted. I believe that his understanding of modernization includes a desire for greater participation by Soviet people in society. What he calls "democratization." I might emphasize that during my conversations with General Secretary Gorbachev—I was not alone, but was with a very small group of former U.S. officials for some 3 hours last year—he referred repeatedly to democratization, and paused to say he did not mean by democratization, Western style democratization, we should understand that, he meant Soviet social style democratization.

What became clear as he spoke was that he meant broad participation, not liberalization, not opposition, but participation. And I believe this model of a Socialist society that is based on broader participation in productive processes, particularly and decisions concerning productive processes guides his conception, not only of what relationships among citizens and the state in the Soviet Union should be, but also his model of what relationships between the citizen and states should be in Eastern Europe, and also between the Soviet Union and Eastern Europe.

Shortly after I left the United Nations in 1985, I participated in a Sakharov birthday celebration. Sakharov was at that time in exile in Gorki, and I spoke on that occasion and posed the question: What manner of man is Premier Gorbachev? And I asked: Is he the manner of man who will dismantle the structure of stagnation and

repression that rests on the denial of personal freedom, of just such men and women as Sakharov, Bonner, Sharansky and Orlov?

I think, in fact, that Gorbachev is the mannner of man, who for his own reasons, would like to dismantle the structure of oppression that held in prison just such men and women as Sakharov, Bonner, Sharansky and Orlov. In fact, he has already released from prison and forced exile Sakharov, Bonner, Sharansky and Orlov—Sharansky is today in Israel; Orlov is today in New York, I think, and Sakharov and Bonner are living in an apartment in Moscow, where we were able to spend a marvelous evening with them during our visit to Moscow last year.

Chairman HOYER. Actually, Sharansky is at the Washington Hilton. [Laughter.]

Ambassador KIRKPATRICK. Good.

It occurred to me that I have never publicly acknowledged that Gorbachev has, in a certain sense, met the test that I set for him in a speech in 1985 as a kind of indicator of how I would judge the manner of man he is.

Now, do I think that this means that he is prepared to dismantle the structure of totalitarianism and repression in the Soviet Union, or abandon the use of force in Soviet relations with Eastern Europe? My answer to that is we simply do not yet know. What we do know is that he has made steps—significant steps—toward the release of political prisoners and dissidents in the Soviet Union. And as Sakharov said to us in the meeting we spent in his apartment:

> Today, persons are still being held in the Gulag for having written the same sort of criticisms of Soviet institutions that are today published in the pages of Pravda, not all of them have been released. And I think not all of them have been released yet, but there is movement.

And I think it is profoundly mistaken to minimize this movement, or to understate its importance for the Soviet Union, or the Soviet people. I also think it is mistaken to jump to conclusions that it is going to lead to the transformation of the Soviet Union into a liberal democracy, or lead it to abandon expansionism in its foreign policy. We simply don't know the answers to those questions and I think it is very important that we face not only the limits of our knowledge, the limits of current developments and also, probably, the limits of Mikhail Gorbachev's powers.

With regard to the relationships between Eastern Europe and the Soviet Union specifically, it seems to me that it is important to note that those relationships have been based on force in the past. And quite specifically, on the use of force and the threat of force whenever an effort was made to loosen ties between the Soviet Union and the nations of Eastern Europe. The most dramatic incidences occurred, of course, in the time of the Hungarian Uprising, and also the Czechoslovak Spring, the suppression of East German riots—in each of those cases we saw the direct use of Soviet force to maintain a repressive government in power in the East European country, and also, the use of Soviet force to maintain the relationship of the country in question in the Soviet bloc.

So we have force of two kinds used at two levels. We have the people of East European countries governed by force, by their own

government, and maintained in a relationship with the Soviet Union by force.

The presence of significant numbers of Soviet troops in the Warsaw Pact countries is of course the guarantor and the symbol of the relationship and of the Soviet inclination to use force to maintain that relationship.

Today as we speak, Mikhail Gorbachev is in Yugoslavia, that's interesting, very interesting. Interesting that he should seek to visit Yugoslavia, interesting that the Yugoslavs should want to receive him and symbolizes, I believe, his desire to expand Soviet relationships beyond the Warsaw Pact countries, not only to other Socialist countries such as Yugoslavia, but also to other countries in Europe. Many people believe that the reason that Gorbachev has expressed an interest in diminishing the use of force, or appearing to diminish the use of force, is to make his own country seem less menacing to the nations of Western Europe, as I think Mr. Arbatov and also Gannadi Gerasimov said in their last occasion here. "We will deprive you of the Soviet threat," they said to the United States and also to NATO, indicating—as Gorbachev discusses in his book *Perestroika*—that in their view, the idea of a potential Soviet threat of invasion of Western Europe is the glue that has held together the NATO alliance. Certainly one important function of a transformed relationship between the Soviet Union and the nations of Eastern Europe would be to diminish the credibility or plausibility of the idea of a Soviet threat of invasion.

I believe that the basic question involved in the Soviet's relationship to the countries of Eastern Europe is the basic relationship involved in the Soviet Union's relations to almost all countries and to their own citizens: it is whether they are prepared to develop relationships independently of the use of force; whether they are prepared to relate to other nations without the use of force or threat of use of force.

What makes Afghanistan important, not only for the Afghan people for whom it is tragic, but also for the rest of the world is its clear meaning: it is a symbol of the use of force to relate to other nations, to subjugate other nations. As long as the Soviet Union uses force, vis-a-vis its own people to hold them in subjugation and uses force vis-a-vis the Warsaw Pact countries to hold them in subjugation there is no credible grounds for not feeling that it is necessary for everyone else to defend themselves against the possibility of the use of superior Soviet force to achieve conquest.

I think Gorbachev has understood this, and he would like to leave the impression that relations with Eastern Europe have already been transformed.

I participated recently in a panel with several Soviet citizens who emphasized the new policy, vis-a-vis Eastern Europe, said each nation was now free to choose its own road to socialism, to define its own kind of socialism. Well, if true, that would be new because all Yugoslavia attempted to do was define its own road to socialism. That led, of course, to a major rupture with the Soviet Union, which not only wanted to define the road to socialism for everyone, it also led to a major rupture with China. So that would be new.

Now, if every country is free to choose its own road to socialism, it is presumably not free not to be a Socialist nation, not free to

choose some other road entirely. For example, a road to a market system, or a road to a mixed system. But I think we have to wait and see about the limits of Soviet seriousness when Gorbachev suggests that hence forth the nations of Eastern Europe will be free to choose their own paths, and that the Soviet Union will make no effort to impose its decisions on its allies in Eastern Europe.

Gorbachev has already presented to the world, as existing today, a model of relationships among the nations of the Warsaw Pact which resembles that among the nations of the NATO alliance, namely an alliance of independent nations. So far, of course, the nations of Eastern Europe are not independent and have not been free to choose whether or not to continue in a relationship and military alliance with the Soviet Union.

I do not really expect rapid movement toward such an end, but I think it is possible and interesting. I believe that the Helsinki process has made a contribution to the lives of a great many ordinary citizens in the Soviet Union. I think it is important and valuable. I think that as Sakharov said on one occasion.

> If the Helsinki accords were complied with, arms control agreements would be unnecessary, and we would, in fact, have the reality of peace.

Sakharov also said.

> I am convinced that international trust, mutual understanding, disarmament, international security are inconceivable without an open society, with freedom of information, freedom of conscience, the right to publish, the right to travel, the right to choose the country one wishes to live in. I am also convinced that freedom of conscience, together with other civic rights provides both the basis for scientific progress and a guarantee against its misuse to harm mankind. I continue to believe that it is important to us and to the freedom of people in the world to take the Helsinki accords seriously, to participate vigorously in the Helsinki processes, and to insist that the Soviets take their commitments under the Helsinki accords seriously.

I participated last month in a conference in Venice at which all the signatories of the Helsinki accords had delegations, and an unprecedented event occurred there—I am told it is unprecedented. That was that the Soviet delegation, which was headed by a senior ambassador, remained in the room and in their places during a harsh criticism of Soviet violations of Helsinki accords by Soviet dissidents. It was, I am told, the first occasion in which dissidents from Eastern Europe, the Baltics and Russia were present and spoke, at which an official Soviet delegation was also present. It was a kind of milestone in Helsinki concerns. I would like to believe it was indicative of what might be a broader dialogue on these questions that would include not only Soviet representatives and official East European governmental representatives, but also representatives of the people whose rights have been so long abused.

Thank you, Mr. Chairman.

Chairman HOYER. Thank you very much, not only for your discussion of the *perestroika* and its impact within the Soviet Union, as well as the Soviet's use of force internally and externally, which I think is a very good point, but also for articulating the importance of the Helsinki process.

I observed yesterday at the UJA Young Leadership Conference that is now going on at the Hilton, where Natan Sharansky is

speaking today, that I think the Soviets got much more than they bargained for within the Helsinki process. In fact, the West has used it effectively as probably the only international forum in which just the European relationship is at issue to discuss the internal civil-political rights of Soviet citizens and Eastern bloc citizens.

This is not the subject of this hearing, but I want to pursue with you because I am intrigued by some of the things that you said; we are now, of course, expanding somewhat the CSCE process to deal with conventional arms stability which has become, as a result of the INF Treaty, which hopefully is going to be ratified, even more important.

Madam Ambassador, let me ask you a few questions, if I might. The whole question of trade has become, of course, more important to the Soviet Union—or at least they are making some initiatives. When I was in the Soviet Union in January, meeting with the Deputy Minister of Trade, very strong representations, obviously very angry about Jackson-Vanik, which is felt to undermine a relationship were made. It was observed that the West is having very substantial problems within itself on trade issues, but has not determined to open up trade to a very large market.

What do you believe should be the continuing role of economic leverage as it relates to the Soviet Union, as they try to reinvigorate their economy?

Ambassador KIRKPATRICK. Well, I believe, first of all, that the success or failure of General Secretary Gorbachev's efforts to reinvigorate the economy depend above all on internal reforms in the Soviet Union and some loosening of the bureaucratic gridlock which produces stagnation across the society and the economy. So, I don't think that trade will play a major role in that internal Soviet reform process, frankly. It may play a significant, but not a determinative role by any means.

My own sense about U.S. trade with the Soviet Union is that—I see no reason that the United States should not trade and welcome trade with the Soviet Union and the countries of Eastern Europe providing that they pay for that trade and it is profitable to American producers and it is in goods which are available elsewhere and which are without strategic importance.

I have no problem, for example, with the lifting of the grain embargo of 1981, or with American grain agreements with the Soviet Union providing, as the President used to say, "We got rubles on the barrelhead."

I do not believe it is appropriate or desirable to use American taxpayer money to subsidize the Soviet economy, or the economies of Eastern Europe. I believe that when we do that, we free Soviet funds for massive defense and defense-related expenditures, military and military-related expenditures, and this costs us twice. One, it costs us the money we use to subsidize the Soviet economy. And, two, it costs us the money of building arms to match the arms which they build.

So while I think trade is perfectly acceptable and even perhaps useful, because I think we should try to have normal relationships insofar as possible with the countries of Eastern Europe, particularly in the Soviet Union, I do not believe that normal relation-

ships should include U.S. subsidization of those economies, nor do I believe that we should engage today in trade of strategic goods.

I think it is appropriate to have a COCOM list. I think as long as the Soviets do not permit the free and normal flow of people across their borders, I don't think it is quite time for us to permit the free flow of goods across the borders.

Chairman HOYER. Let me ask one additional question, and then I am going to recognize Congressman Markey.

What do you believe will be the ramifications of the withdrawal of hardware from central Europe, that is, missiles now from Czechoslovakia and presumably, if there is success with the conventional stability talks withdrawal of troops, which of course, we believe many of the Eastern bloc nations are enthusiastic about? What ramifications will that have?

Ambassador KIRKPATRICK. Well, I believe that the most important questions today concerning the Soviet Union and Eastern Europe, and indeed, NATO countries, are political questions. And the military questions are important above all because of their impact on political relationships. I think that the most important questions of all concern conventional forces, and the top priority of the United States should be to negotiate real reductions. I would like to see 50 percent reductions in conventional forces, or 75 percent reduction in conventional forces in Eastern Europe and the Soviet Union and Western Europe.

And I think that any such real reductions in conventional forces have the potential for transforming tbe relationships within the Soviet Union and Eastern Europe on the one hand, and East and West on the other. I don't think that reductions in hardware and missile launching and so forth in Eastern Europe are very important as long as there remains large numbers of conventional forces and supplies for those forces in those countries.

Chairman HOYER. Thank you.

Congressman Markey from Massachusetts.

Representative MARKEY. Thank you very much, Mr. Chairman.

Ambassador Kirkpatrick, you mentioned that Sakharov said that "If the Helsinki accords were honored in full there would be no need for arms control agreements, we would be in a world of human rights and peace that would not require them." What is your feeling with regard to the appropriateness of signing the INF Agreement without concrete compromises and concessions in the field of human rights?

Ambassador KIRKPATRICK. Oh, I believe very strongly in a general policy of linkage. But I don't think that everything has to be linked to everything else explicitly all the time. I think linkage ought to be a broad relationship of military, political and social policies and goals.

I don't think it is inappropriate to have signed the INF accords frankly, or to have negotiated the INF accords independently of new processes in the human rights field. We are after all, as a government pursuing vigorously action on human rights through the Helsinki process, and also through such things as the U.N. Human Rights Commission, which is meeting just now in Geneva. And as long as we are doing that, and as long as human rights are on the agenda and really kept on the agenda in an important place in our

conversations with the Soviet Union, I think it was reasonable enough to negotiate the accords independently.

Representative MARKEY. Do you believe that the Soviets can be dealt with in a way that doesn't reflect the very real interest that they have in arms control reductions (that is the security threat which deployed nuclear weapons pose in the European theater)? Did we lose a great opportunity? In other words, it is one thing to have human rights on the table. But unless there isn't something that we are negotiating with them on in which they have a real interest or necessity in changing, unless we have something that they want, why would they modify their behavior?

Was this an opportunity that we lost, or do you see it as a building-block that can be used down the line, for example, in anticipation of the START negotiations?

Should there be some additions which are applied to initiation of serious START negotiations at the summit level, that include human rights protections on their part?

Ambassador KIRKPATRICK. I don't think so, but I am not sure about my own views even. I have always been a supporter of the Jackson-Vanik bill, and I remain today a supporter of the Jackson-Vanik bill. This is of course the first effort of the U.S. Congress and Government to systematically link Soviet performance in the human rights field to some other goods, like most-favored-nation status in trade.

I think that makes sense. I think it was a good idea. I do not believe it has been counter-productive. I believe it is sound and it reflects our appropriate moral commitment. I think that we need always to make clear to the Soviet Union, and to all countries, the importance and priority which we attach to human rights behavior. And our belief, moreover, that as long as the Soviet Union deals with its own citizens through force, we cannot have confidence that it will not deal with us through force, if we should ever find ourselves in the position where they were stronger than we. I think that ought always to be kept clear in our own minds and made clear.

I believe today that negotiations in reduction of conventional forces is the most important. I think we ought to make deals on arms reductions which are as desirable to us as they are to them. And if they are not, we shouldn't do it.

So, I am not necessarily personally in favor of using arms negotiations to make demands on human rights. I think human rights should always be kept on our agenda with the Soviets.

Representative MARKEY. And what ultimately do you believe will be the leverage that will exact the compromise or change of behavior that we are looking for, if we don't use——

Ambassador KIRKPATRICK. Congressman Markey, I don't believe we can control the Soviet behavior by our policies. I think the history of the Soviet Union demonstrates, at least to my satisfaction, that the Soviet behavior is finally determined by their priorities and their decisions, and that our impact on that is only very marginal.

Representative MARKEY. So do you include Jackson-Vanik in that. It doesn't have any effect on them either?

Ambassador KIRKPATRICK. No, but I didn't say it didn't have any effect. I think we can have some marginal effects and I think our behavior, vis-a-vis the Soviet Union and our policies ought to express our values and our priorities and our goals, and be designed for our purposes, not simply out of an effort to influence them. The Soviet Union is a very large, very powerful country on the other side of the world and it feels very intensely about the management of its own affairs.

I do believe that there are some significant changes now taking place in the Soviet Union in this area, but I don't think it is brought about by our policies really. I think it is brought about by the conviction—Gorbachev's analysis of the world and his conviction that the policies in force today are counter-productive in the pursuit of their goals. Unlike the President, I believe that the Soviets are still very much interested in expansion. But I think that Gorbachev is interested in expansion now by political means, by an effort to expand political influence. And that he thinks force as used in Afghanistan or to hold East European countries may be counter-productive. That I think is what is——

Representative MARKEY. I can understand that externally. But internally, in terms of Gorbachev's relationship with his own people, what is his calculus, in your mind, with regard to the extension of human rights, freedom of travel, and emigration?

Ambassador KIRKPATRICK. I believe that Gorbachev's analysis of Soviet society has persuaded him that the current organization of the society leads only to stagnation, is not compatible with economic modernization or with the Soviets maintenance as a major power in the modern world, including militarily. And this is, above all, the spur to him to relax enough internal controls to promote some higher degree of participation and to stimulate the Soviet people, frankly, to be more innovative and to work harder and be more productive.

Representative MARKEY. Do you believe that extends to Jewish and other historically persecuted religious minorities?

Ambassador KIRKPATRICK. I think for both internal and external reasons, Gorbachev has concluded that the level of repression of human rights, including the minorities in the Soviet Union and the reliance on force is undesirable. And he would like to achieve goals, I think, with less reliance on force. What we don't know is how far he is willing to go.

Representative MARKEY. Could you give us your prognostication as best you can, as to the likelihood of further expansion of human rights being extended to Jewish and other minorities in the wake of the signing of the INF Treaty, TTBT ratification this spring, combined with the initiation of the START summit talks between Gorbachev and Reagan?

What do you think the prospects are for an expansion of human rights in that kind of an atmosphere, given your historical view back through the seventies?

Ambassador KIRKPATRICK. I tend to believe that Mikhail Gorbachev is engaged in an effort internally to make the Soviet Union look like a more attractive place. I think he is a master public relations man, he desires to project the image of a country which is more dynamic and which relies less on force, both in its relations

with his own subjects and his relations with the external world. And I believe Gorbachev is interested in reducing the image of the Soviet threat, and that arms reductions are attractive to him as part of this. And that some relaxation internally in the Soviet Union, and in relations with Eastern Europe are part of this.

And I suspect that they will continue. I think that these are the trademarks, if you will, the hallmarks of the Gorbachev regime.

Representative MARKEY. So you expect further expansion of rights then?

Ambassador KIRKPATRICK. I hope so, and I think it is not unreasonable to hope for them. Look, I don't expect a revolution in Soviet relations with its own people. I don't expect that free speech and free press, and free emigration will be inaugrated in the Soviet Union in the next year, let's say, whatever we do with arms negotiations. But I do expect some continuing movement in a direction which Gorbachev has already, in fact, inaugrated toward relaxation.

Representative MARKEY. If I could just ask one final question. The Chairman of the Helsinki Commission, Mr. Hoyer, the Speaker, majority leader, the majority whip, Mr. Cheney, others and myself, visited the Soviet Union in April, almost a year ago. We talked to Mr. Gorbachev and spent a week over there. And it was very clear to us that there was going to be a total reversal of the Soviet attitude with regard to computers in grammar schools and high schools with regard to the automatization of their society, with regard to the threat that they saw posed economically from China and others over the next couple of decades.

In that light, have you done any re-evaluation of your view with regard to what potential human rights concessions we might be able to derive from expanding trade, rather than further restricting or contracting on our ability to conduct business with the Soviets. I don't mean using arms control as a lever. But rather, this other area which is more discretionary for us. An area where they are not going to be as likely to continue to exercise the kind of isolationism which they have in the past?

Is that an area we ought to pursue, or are you still hardline on Jackson-Vanik?

Ambassador KIRKPATRICK. I supported Jackson-Vanik. I still support Jackson-Vanik.

Representative MARKEY. So, you don't see any room for——

Ambassador KIRKPATRICK. I am not opposed to expansion of trade with the Soviet Union, provided it is in our interest, and we make money from it, as we do in trade with other countries, and we don't subsidize the economy. I would simply remind the panel what you already know, as well as I, which is that the Soviet Union spends a very large percent of its gross national product already—twice as much as we, probably more than three times as much as we, on military expenditures. And I think that we do not wish to make that easy for them.

I think as long as the trade is profitable to us and does not subsidize them, then I think it is perfectly desirable, as long as it is not in strategic goods.

Chairman HOYER. Congressman Smith from New Jersey, also a member of the Commission.

Representative SMITH. Thank you, Mr. Chairman.

Ambassador, welcome to the Commission. I have a number of questions, and my first would be regarding Romania. As you probably well know, Romania has unilaterally renounced MFN. In my view, the Romanians felt they must preempt what would be a very tortuous congressional scrutiny this year over their human rights policy. Ion Pacepa's book, "Red Horizons," certainly has awakened a number of people as to Ceausescu's policies and abuses. What is your view, and where do we go from here?

Ambassador KIRKPATRICK. Well, my view is that the United States should have acted earlier, in fact, to deprive Romania of most-favored-nation treatment. I think it was not an unreasonable decision on our part at the time that we extended most-favored-nation treatment, when it seemed as though Romania were establishing a degree of independence and some internal reforms. We desired to differentiate it from other Soviet bloc countries which were doing the reverse, and also to encourage it. I think that was a reasonable effort. I think we also saw that it didn't help—I mean, nothing seemed to help Romania's own very harsh internal repression. I think we should have withdrawn it before. I am glad they saved us the effort and the time, and the disagreements that we might have engaged in about it.

I was pleased, personally, that the Congress was going to undertake a serious examination of this, and 2 years ago I criticized the administration for not having done it.

Chairman HOYER. Madam Ambassador, as you may well know, Congressman Smith was a leader in that effort.

Ambassador KIRKPATRICK. Yes.

Representative SMITH. Where do we go from here? There are some reports that say Ceausescu, although not in the best of health, has at least a few years left in that position. Where do you see our relationship with Romania 5 years, 6 years, 10 years down the line?

Ambassador KIRKPATRICK. Congressman Smith, with Romania?

Representative SMITH. Yes.

Ambassador KIRKPATRICK. I am afraid I think that's something that we can't control. Romania is not so small a country, but a major sovereign country on the other side of the world. It is firmly in the Soviet bloc and in the grips of a very harsh internal dictatorship. I think that we should remain alert for opportunities to encourage any sort of relaxation, or to help lighten the load of the Romanian people.

But, frankly, I see very few opportunities for that as long as the Ceausescu government is in place. And my understanding, too, is that he is with us for the foreseeable future, that he is not about to disappear, or to die. And there is no evidence that Romania has been so far much influenced by any waves of *perestroika* or *glasnost*. There is no transparency in Romania, it is still pretty opaque.

Representative SMITH. If we could move to the Soviet Union now, many of us have been concerned for a number of years about religious freedom there. We have seen press reports indicating that there are some reforms underway in the area of psychiatric abuse. This is the year of the Millennium of Christianity in Kievan Rus',

and many of us are calling for an amnesty to allow all religious prisoners out of the gulags and the "psychiatric" hospitals.

We also know from Soviet officials like Theodore Burlatskij and others that a substantive and intense review of their legal statutes relative to religious freedom is underway.

What information do you have with respect to this review?

Ambassador KIRKPATRICK. What I know about it is of recent developments, mainly derived from the conference which I attended in Venice last month, which was on Helsinki compliance and religious intolerance precisely. And there were representatives there, not only from the Helsinki signatory countries, but from the official representatives of the official confessions in the Soviet Union. There were also dissidents, Jewish dissidents, there was the head of the Ukrainian Catholic Church, and we heard some very sad stories about the religious repression which continues.

The French delegate provided an extremely useful summary of legislation, regulations and practices concerning Soviet citizens of Jewish nationality, Jewish faith. And that repression is still very heavy-handed. It is still very, very difficult for rabbis to find some place for education. There are very few synagogues, there are very few rabbinical schools, there are very few opportunities for the study of the Jewish religion or the practice of the Jewish religion.

The Ukrainian Catholic bishop had really terrible stories about the oppression of the Ukrainian Catholic Church, which by the way Moscow was dismayed by, and there were long discussions between them.

I think in the Baltic States, in the Ukraine with regard to Jews, with regard to Moslems, there is still a very regrettable level of religious repression, and even imprisonment.

I think it would be very useful for the Congress and for groups of American private citizens to try to encourage the Soviets during this year that they are celebrating the 1,000th anniversary of Christianity to release all religious prisoners. I think that it is very helpful that Gorbachev, himself, has spoken about psychiatric abuse, by the way. I think that was a most positive statement. I wish he would do such a thing about religion.

I was dismayed last year by Gorbachev's own speech at Tashkent in which he announced the reinvigoration of the effort to stamp out religion and religious practices in the Soviet Union. I think that his attitude has not been nearly as helpful with regard to religious intolerance, in spite of their celebration of the 1,000th anniversary of Christianity.

Representative SMITH. Mr. Chairman, I would note that yesterday I had a half-hour conversation with Soviet refusenik Yuli Kosharovsky. I understand that each day, Members of the House and Senate are calling him in Moscow. Yuli is a leading Hebrew teacher who has been in refusal for 17 years. I met with him back in 1982, as part of a delegation with the National Conference on Soviet Jewry. I would hope that all of us could speak with one voice on his behalf, asking the Soviets to permit him, his wife and family, to emigrate to Israel. He and his wife, Inna, are currently on a hunger strike.

The Kosharovskys, like Sharansky and many other notables in the Jewish refusenik community, call out to the world for a response from the Soviets to let them go.

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Perhaps, Madam Ambassador, you would like to comment on that.

Ambassador KIRKPATRICK. Well, I would simply say that I think it is important to do so. I think that discussion of specific cases has been very helpful in the past. People like Josef Begun, and Sharansky and many other brave members of the refusenik community are free today. And most of them believe that the fact that a good many of us have spoken specifically about their cases and their hardships has helped enormously in securing their freedom.

So I would join you in encouraging that.

Representative SMITH. One final question, Mr. Chairman. Madam Ambassador, what is your view on U.S.-Soviet exchanges? There have been many like Mr. Richard Pearle, who have said that we lose so much Western technology through the exchanges. North of my district in New Jersey, there is a fusion laboratory and the Soviets are frequent guests at the facility. While these exchanges seem to be in pursuit of pure and applied science, the military application can be a real problem and a drain.

What is your view on such exchanges?

Ambassador KIRKPATRICK. Well, in a general kind of way, I support educational exchanges, just generally. I would really rather have the Soviets study American literature, however, than nuclear technology, or laser technology.

But I think we have to use some common sense really in the implementation of exchanges. But I would hope that we could do that in a way that did not eliminate, or diminish exchanges, but protected subject matter of strategic concern. And I think we should protect it.

Representative SMITH. Thank you, Mr. Chairman. Thank you, Madam Ambassador.

Chairman HOYER. Thank you.

I regret that we cannot spend the next hour with you, because I think we could have some very useful exchanges. I think Mr. Markey would like to followup some, but perhaps we will meet with you again.

We very much appreciate your taking the time to be with us this morning, but we have four others who have also taken their time to be with us, and we want to make sure they get on.

Ambassador KIRKPATRICK. Thank you very much, Mr. Chairman.

Chairman HOYER. Thank you.

At this time I would like to introduce four very distinguished experts who will be joining us.

First, Dr. Karen Dawisha, who is a professor in the department of government and politics at that great educational institution located in Prince George's County, Maryland, the University of Maryland, which I represent, and from which I graduated.

She received her Ph.D. from the London School of Economics in 1975, and taught at universities in Britain and the United States before coming to Maryland in 1985. She served as specialist adviser on Soviet Policy to the British House of Commons, and as a member of the Policy Planning Staff of the State Department.

Professor Dawisha is author of more than 50 books and articles on various aspects of Soviet foreign policy, including "The Kremlin" and the "Prague Spring," and most recently, "Eastern Europe,

Gorbachev and Reform: The Great Challenge." She is indeed an expert.

And I am going to ask all four panelists if they will come to the table together.

Next, Dr. Charles Gati, who is a professor of political science at Union College, in New York, and a senior research scholar at the Research Institute on International Change, Columbia University. He has been a member of the Council on Foreign Relations since 1978 and is chairman and coordinator of the U.S. delegation to the U.S.-Soviet Roundtable on the role of Eastern Europe in the relaxation of tensions between the United States and U.S.S.R.

His many books and articles include, "Hungary and the Soviet Bloc" and "Gorbachev and Eastern Europe," which appeared in "Foreign Affairs," the summer of 1987. His forthcoming book "The Soviet Bloc at Century's End" will appear next year.

Next, Aleksander Smolar who is an editor of the Polish Affairs Journal, ANEKS, published quarterly in Polish, and is a senior research fellow at the Centre Nationale de la Recherche Scientifique, and at the Ecole des Hautes Etudes en Sciences Sociales in Paris. He has also recently served as a fellow at the Woodrow Wilson International Center for Scholars.

Dr. Smolar was imprisoned in 1968 and 1969 for political reasons and emigrated from Poland in 1971. He has written many articles on Eastern Europe, especially regarding Polish politics and economics.

Next, and last on our list of four distinguished panelists, Milan Svec—perhaps if we could move over just a little bit to the left, to give Dr. Svec some table room—thank you.

Dr. Svec was chargé d'affairs and minister counselor at the Embassy in Washington from 1982 to 1985. For 3 years he held a senior position in the International Department of the Czechoslovak Communist Party Central Committee. He was a senior associate at the Carnegie Endowment for International Peace from 1986 to 1988, and is currently a senior consultant at the Institute for National Strategic Studies at the National Defense University. He has published numerous examinations of Soviet, East European and Czechoslovak foreign and domestic policies.

On behalf of the Commission, I want to thank all of you for being with us today. The way I would like to proceed is to recognize each one of you, starting with Dr. Dawisha, for a statement, which I would hope would be 5 to 10 minutes in length—preferably 5 minutes.

My problem is that I have to testify before another committee on a matter vital to me at supposedly 11:45, but I am going to make it 11:55. So I am going to try to leave here at 11:50, which gives us about 35–40 minutes.

I would first like to recognize Dr. Dawisha.

STATEMENTS OF DR. KAREN DAWISHA, DR. CHARLES GATI, ALEKSANDER SMOLAR, AND DR. MILAN SVEC

Dr. DAWISHA. Thank you, Mr. Chairman.

Mr. Chairman, I thought I would simply note my full agreement with Ambassador Kirkpatrick's, I thought, excellent analysis of

Gorbachev's *perestroika* in the Soviet Union, and as it applies to Eastern Europe. I want to ask four short questions here and provide what I think are the answers.

First of all, is there new thinking in the Soviet Union about Eastern Europe? My answer is "Yes." Gorbachev has affirmed, as we have already heard, that there is no single model of socialism. He has also underlined as an unquestionable principle the sovereign right of each party to decide issues facing its own people. This has to be seen as an erosion, although perhaps not a complete abdication, of the Brezhnev doctrine. It is a very important series of statements from Gorbachev, statements that have been echoed by other leaders like Ligachev who have not been seen as entirely supportive of Gorbachev's policy agenda in other areas.

The second question: Are there important changes in Soviet-East European relations? I would say again "Yes." There has been a growing diversity of economic, social and political forms in Eastern Europe, some more reformist than the Soviet Union, but equally and interesting from our point of view, some less reformist than the Soviet Union, suggesting that the Soviets are taking seriously the right of each party, even the conservative ones, to follow their own path.

Glasnost is also spreading to Eastern Europe, and we can find many examples of greater freedom of speech and greater participation in East European affairs by the population of these countries.

The third question: Are these changes likely to produce fundamental shifts in the structure of Soviet-East European relations? Here I would only say, "possibly." First of all, the acceptance of Soviet fallibility in its past practices with Eastern Europe could move to increase the independence of East European Communist Parties. Also, changes in the common economic structure binding these countries together, including support by the Soviet reformers for convertible currency throughout the Communist bloc could increase the openness of these economies to the world market with obvious political ramifications.

Moreover, change in the Warsaw Pact military doctrine to a more defensive footing with emphasis more on sufficiency could set the stage for a scale-down of Soviet troops. This, plus an increase in the verification regimes which are very much at the center of the CDE process, could make it more difficult for the Soviet Union to launch massive surprise attacks against their own Warsaw Pact allies. This would have a tremendous impact on the ability of the Soviet Union to use force, or the threat of force, against its own allies.

Finally, can the West influence these changes? My own view is that, "Yes," we can influence these changes. The Soviet Union has exercised hegemonic control over Eastern Europe since 1945. It had then, and it has today, and it will always have core security and ideological interests at stake in Eastern Europe.

We have seen that the Soviet Union cannot be forced to give up any hegemony in Eastern Europe. However, the West can help and here the CSCE process is vital, by creating conditions which will increase East European independence without producing crises in Eastern Europe, and an almost, in my view, inevitable backlash by the Soviet Union. It can promote more trade, it can keep its own

market open to East European goods. It can provide generalized system of preferences advantages to selected goods from quasi-marketized sectors in Eastern Europe.

The West as a whole, and in particular the EEC, can move to reduce the tariffs that are crippling for East European exports, and encourage credits to selected East European regimes.

One thing that worries me very much, Mr. Chairman, is to see an increase in the Soviet share of East European imports and exports over the last 2 years by as much as 10 percent, moving up from about 35 percent of all East European imports and exports to almost in the region of 50 percent—not, in my view, primarily because of the greater efficiency of the Soviet economy, but because of the greater restrictions of the Western economy.

This is something that is being foisted on East Europeans by our own policies, not by the Soviet Union.

And, finally, the West can encourage the emergence of verification regimes within the CSCE process and in particular within the follow-on talks on conventional force pull-downs which would address the pre-eminence of Soviet forces in Eastern Europe and move to reduce them. Such an action would have more impact in the political realm than I think anything that we have seen in the last 40 years of Soviet hegemony in Eastern Europe. And I think that we are in the first step for that process. When we move toward conventional arms reductions we should consider that NATO security is our first priority, but that security can be enhanced by withdrawal of Soviet forces from Eastern Europe, thereby fulfilling the dual mission of our policy, security and the moral mission to reduce Soviet influence in Eastern Europe.

Thank you very much.

Chairman HOYER. Thank you very much, Doctor, we appreciate that.

Next, I would like to call on Dr. Gati.

Dr. GATI. Thank you.

Mr. Chairman, I was asked to make a few comments about the impact of *perestroika* and *glasnost* on Hungary, and you have my very brief 5-page statement.

Chairman HOYER. I want to point out that all of the prepared statements that are submitted will be included in the record at the appropriate place.

Dr. GATI. Thank you.

What I would like to do this morning in 5 minutes is to put this statement in some context and highlight one or two points from it.

The context is historical in that both in the 1950's and the mid-1960's, certain developments in the Soviet Union created serious crises in Eastern Europe. I don't have to tell this Commission that de-Stalinization in the 1950's led to major crises, upheavals in Poland and Hungary, and the Soviet reforms in the mid-1960's, while not very successful, provided an essential background for what happened in Prague in 1967 and 1968.

Today, too, the spirit of change under Gorbachev in the Soviet Union is encouraging East Europeans to press for change, and at times perhaps go far beyond the kind of changes that the Soviet Union would tolerate.

The East European leaderships today are very much aware of the past, and so they try to limit the destabilizing effects of *perestroika* and *glasnost.* The general pattern, if there is one in Eastern Europe today, is to pay lipservice to Gorbachev, to *perestroika,* to *glasnost,* but to keep the lid on change, not because the East European leaders are not interested in some of the changes that Gorbachev is attempting, but because they are very deeply concerned and indeed afraid of the destabilizing effect of the changes.

This can be seen particularly, of course, in Romania, but to a lesser extent in the German Democratic Republic, in Czechoslovakia, in Bulgaria, very much even in Hungary, as well as in Poland. In short, everywhere. The fact of the matter is that the East European leaders know, as well as anyone, that they walk on thin ice.

Let me turn more specifically to Hungary. The Gorbachev phenomenon, as well as three additional features which I explain in my written presentation, are contributing to growing instability in that country. There may, or may not be today a real crisis in Hungary, but there is most certainly a most widespread perception of a crisis there.

Hungary's condition is deteriorating and it is a function of four developments. One is what I call the "generational factor." The fact of the matter is that the people who had made the 1956 revolution adjusted to a new reality in the 1960's and 1970's, pretty much appreciating the half a loaf they received, both in economic and in political terms from the Kadar regime.

Unlike their elders, however, young people today are quite impatient for gradual reforms and slow democratization. Hence, they want something better, they want something more.

The second factor that is contributing to instability in Hungary is the economic factor. For several years the reforms introduced in that country in 1968 improved both Hungary's economy and the people's standard of living. But a variety of internal and external circumstances, including some very poor economic decisions made, have resulted in serious problems in the 1980's. The economy has ceased to grow, the level of investments and the standard of living have declined, and inflation, compared to previous rates, has skyrocketed, and it continues to grow.

In short, the Hungarians who were for so long in the forefront of *perestroika,* well before Gorbachev ever dreamed of it, are learning in the late 1980's that there is no such a thing as a "free goulash." And, indeed, there are industrial workers today who are burning factories, distributing handbills, some of which I saw last summer and read, which said, "If you raise prices, we burn factories."

The third factor contributing to instability in Hungary is the leadership factor. The fact of the matter is that the resignation of Janos Kadar as head of the Hungarian Socialist Workers' Party is due in this decade. The struggle for succession is very much underway. The political elite is deeply divided and preoccupied with practically nothing else but the struggle for succession.

And, finally, the fourth factor is the Gorbachev factor. In terms of both *perestroika* and *glasnost,* as I have just mentioned, Hungary is years ahead of the Soviet Union. Much of what Gorbachev is thinking about has already been implemented in that country. Therefore, the problem is that what Hungary should now be doing,

its next steps, would entail truly radical measures. To use but two examples, Mr. Chairman, for the sake of its economy, Hungary should reduce its trade relations with members of the Soviet bloc and increase its Western exposure.

But as Professor Dawisha has just pointed out precisely the opposite tendency is underway.

Second, for the sake of political stability Hungary should move toward political pluralism and adopt a 2-party system, even if both parties would accept the country's Socialist orientation and uphold its association with the Warsaw Pact.

The issue is not only that these next steps, what the Hungarians refer to as "the reform of the reform," are presently unacceptable, both to the Soviet Union and to the Hungarian leadership. That is true, of course, but the more important issue is that it is the Gorbachev phenomenon that has encouraged a growing number of Hungarians, including members of the political elite, to think about such unacceptable next steps. In a very real sense, then, Gorbachev has had a destabilizing impact on Hungary.

The issue is further complicated by the Hungarian leadership's apparent belief that Gorbachev will not stay in power for long. For this reason most Hungarian leaders today prefer to postpone the introduction of radical reforms, not only because they fear instability, which is their major consideration, but because they are uncertain how long new measures would enjoy grudging Soviet approval.

My 5 minutes is up, Mr. Chairman. I am going to stop here.

Chairman HOYER. Thank you very much, Doctor.

I want to say to both of the first two witnesses if we could have the House Members observe the 5-minute rule as well as they have, we would be in good shape, wouldn't we?

Dr. Smolar.

Dr. SMOLAR. Thank you very much, Mr. Chairman.

My English is not very good.

Chairman HOYER. My Polish is abysmal, so you are doing much better. [Laughter.]

Dr. SMOLAR. Well, it is fortunate for you that you are not obliged to speak Polish.

There are two particular issues we shouldn't forget speaking about Poland, first *perestroika,* reconstruction started in Poland much earlier than Gorbachev came to power. Reconstruction was imposed by the previous destruction of the traditional Soviet-type system in Poland with the appearance of Solidarity during the period of 1980–81. Since then the Polish leaders tried to find new institutional arrangements, new ways of dealing with old problems.

The second point is that Poland, and Hungary are the most open countries in the Communist world. So a lot of things that we are talking about linked to *perestroika* had happened there already 10 or 20 or even 30 years, ago.

I wouldn't minimize, however, the importance of *perestroika* for Poland. I think that there is double influence of Soviet *perestroika* and *glasnost* on the Polish situation. First, *perestroika* creates greater space of maneuver for Polish ruling groups.

Second, the dynamics created by the Soviet policy of *perestroika* and *glasnost* forces Polish authorities to look for new solutions or new arrangements. I would like to remind the panel that the group

ruling Poland today came into power during the Solidarity period, when Jaruzelski became Prime Minister and afterwards, First Secretary of the Polish Communist Party.

There were some tentions in their relations with the Soviet Union. Those people were criticized openly by Moscow. Just to remind you, there was a letter of the Central Committee of the Soviet Party of June 1981 to Polish Central Committee in which Jaruzelski and Kania, First Secretary at the time, were personally attacked by the Soviets.

Their position did not remind at all, for example, Alexander Dubchek's in 1968. The difference was about the tactics. Jaruzelski wanted to delay confrontation relying on the change of the internal political dynamics, on the decline and decomposition of Solidarity in consequence of internal tensions in the movement. And they hoped probably that it would be possible to integrate diminished Solidarity into the system.

The Soviets were much more pessimistic and they looked for confrontation without any delay. On December 13, 1981, with military and police operation led by Jaruzelski, legal Solidarity was destroyed and it was quite obvious that the Soviets were happy with the solution, sort of intervention by proxy.

At the same time we can see several signs that Moscow was not fully confident in Polish elite's capacity to normalize the situation. There were critiques, for example, of people, very closely linked to Jaruzelski, indirect critique of the excessive role of the army, et cetera.

The impression of mine is that this ruling group's capacity of maneuver was quite limited until Gorbachev came to power. The situation changed and somehow the internal dynamics changed since 1985, and especially in 1986. In 1986 during the Polish Party Congress—Gorbachev publicly declared with a lot of enthusiasm his support for Jaruzelski.

Since then we have seen several measures introduced which I would like to stress. First, the amnesty of political prisoners in the autumn of 1986, which was very important not only for those prisoners, but also for independent activities in Poland, in general. The amnesty did not signify, of course, legalization of opposition, but it was a recognition of the durable character of the opposition. The people ruling Poland knew well that thousands of leaders of the independent movement of Solidarity, freed and acting openly, would continue their activities.

The second point I would like to stress is a certain change in a character of official organizations created after the introduction of the state-of-war, in Polish terminology, on December 13, 1981. They didn't become traditional Soviet-type organizations just transmitting Communist power's will. To a certain extent official trade unions tried to compete for influence with Solidarity and they tried to represent, to a certain extent, the interests of their constituents.

And the same can be said about some other organizations. I wouldn't like to overestimate the importance of their relative autonomy, but it does exist and the objective is quite clear. This is the problem Ambassador Kirkpatrick talked about, the problem of involvement, of participation. Polish authorities try to overcome the terrible division in the society which came as a consequence of the

destruction of Solidarity and of other independent social organizations.

Until now, however, there is much more talk than action about necessary existence of pluralism, but there is a lot in the official press about the necessity of tolerating "internal, Socialist, and realists" opposition. Of course, this is a very complex problem and it may be a problem without solution—how to introduce the pluralism, political pluralism into the system based on the ideological principle.

However, there are attempts, at least intellectual attempts to look for a solution to those problems.

Next I would like to stress a certain will to expand participation, popular participation in public affairs; there is some discussion about introducing more open elections at the local level; trying to depoliticize them and make them more free, more pluralist.

There are some other forms of limited pluralism tolerated. I would like to mention the self-management created as an element of economic reforms; it can play to a certain extent, the role of true representatives of employees in the enterprise.

The impact of Soviet reformism is perhaps the most perceptible in the sphere of the economy. The demand of economic reform, is widespread and extremely strong because of the economic situation. The Polish economy today, and for some years more will not recover the level of economic activity of 1978. This destruction of the economy in the peaceful times is without precendent, in any developed country.

The Polish economy after the Second World War, and Poland in general, was one of the most, if not the most destroyed European country, rebuilt itself much quicker than now as a consequence of peaceful destruction of the economy in the seventies. And everybody understands in the Government that without radical economic reforms no solution is possible.

We had already in Poland one economic reform after the introduction of the state-of-war. The effect was extremely meager and now the second wave, quite radical by Soviet standards, surely much more radical than the Soviet one, with a big space for private enterprise and for Western joint venture, and also much more market-oriented.

I stressed on the beginning that *perestroika* and *glasnost* had double effects; first, created bigger freedom of action for Polish rulers; second, forced them to look for new solutions, not because the Soviet Union is more advanced in reforming and liberalizing the country, surely Poland is still much more open, more liberal than the Soviet Union, but because the Soviet dynamics, certainly hopes it created, even in Poland, forces the Polish authorities who—eager to acquire a reformist legitimization—to look for new solutions.

The dramatic problem in the Polish situation is that these changes are perceptible to specialists, or elites, not to the people. The reason is quite obvious. Poles lived through two revolutions of expectation during the last 10 years. The revolution of consumer expectation of the seventies, when Poles had the impression that they had finally entered the period of relative abundance. The dramatic breakdown of the economy buried those hopes.

Solidarity which was partly the product of this crisis brought the revolution of civic expectations, hope for a more democratic, more just society where both their dignity and their interests would be protected. Those hopes were buried on December 13, 1981, by the army and the police of General Jaruzelski. It is therefore only natural that small changes in the situation with the background of decaying economy cannot really satisfy Poles, or make them more optimistic about the future.

As one party journalist recently wrote in Party Journal, "Almost everything can be said today in Poland, but almost nothing can be done." This is the prevalent feeling in Poland today, even as I tried to stress before, that there are some marginal changes introduced as a consequence of Gorbachev's dynamics.

Thank you, Mr. Chairman.

Chairman HOYER. Thank you, Dr. Smolar.

Now, Dr. Svec.

Dr. SVEC. Thank you, Mr. Chairman.

It is by now obvious that the former anti-reformist consensus in the Czechoslovak leadership has been broken. In an unusually frank interview with West German journalists, Prime Minister of Czechoslovakia and ruling Politburo member Lubomir Strougal declared in January,

> Things must change even if it means temporary crisis. There is naturally resistance in regions and in districts. Problems exist in the Government as well—what do I see as an opportunity and a hope? That we live at a time when reforms have become unavoidable.

I think this gives a flavor of what is going on in Prague.

And I would like to use another quotation that explains why the reforms have become unavoidable. The quotation is by Prime Minister of the Czech Socialist Republic, and was made at the recent Communist Party Central Committee plenary meeting in December.

> The current situation in Czech industry is a telling example of the consequences of long-term neglect, planning as it is practiced today, greatly harmed the psychological and mental health of both our executives and our rank-and-file staff. People who used to defend the concept of big tasks which are unrealistic even at first glance, have been proven wrong.

These words were announced at the Central Committee meeting, and that is something new in Prague. Until relatively recently potential reformers there, have been much more cautious.

Now the question is; what kind of reforms? The Prime Minister of Czechoslovakia, for example, would definitely like to go further than some of the hardcore hardliners in the Politburo. Outlines of the reforms adopted on the Central Committee plenary meeting last December, illustrate this point well. As it stands now the document is unlikely to provide adequate treatment for Czechoslovakia's growing troubles. It adopted Gorbachev's type of what I call "both ways approach" and watered it down even further.

The outlines declare, for example, that the role of the center has to be not only preserved, but also strengthened, while it also speaks about radical limitations of interference into the activity of enterprises. It promises that each enterprise will "set up independently its economic plan" but adds, that "this plan must respect the binding norms, tasks and limits" set by the Government. It proclaims

that the director or a managing board is fully responsible for the management of the enterprise, but stipulates further that "Socialist self-management guarantees the participation of the work collective" in decisionmaking and such a Socialist self-management system may be set up "under the guidance of the relevant organization of the Communist Party."

It is obvious that before the Communist Party in Czechoslovakia will be able to lead the people, it must first decide what it really wants. But within the party, to the outsider it might look like a surprising discovery, there are actually sort of two parties in the Communist Party of Czechoslovakia. Those hardliners who welcomed wholeheartedly Soviet troops in Czechoslovakia in 1968, are committed to the anti-reformist course. If they admitted that radical reforms are needed now, they would have to explain why they have been always opposed to reforms before.

Second, the hardliners are usually less capable people. They are afraid that the reforms will inevitably weaken party's influence in the country. If party's influence were reduced and weakened, however, many of these less capable people would find it difficult to keep their jobs or to find new ones. Their influence would go down.

On the other hand potential reformers are people who have been less committed to the anti-reformist drive Prime Minister Strougal, whom I quoted earlier, was a reformer in 1968, but then he turned around and was not a reformer for some time.

Also, these people are usually more capable. They could have a fair chance to compete in the new, more competitive surroundings.

And third, reformers are the people who understand that the question is not about whether to have reforms, or not. It is when the reforms will take place. If they will not have them now, they will have them later, in much worse circumstances. In 1968 they could have attempted reforms in a much better domestic situation than now when they have to cope with much more difficult problems. If they postponed the reforms even further, they might find the country ungovernable.

One can briefly conclude that a withering away of the old system of governing is already in progress in Czechoslovakia, while a better system will not be available for quite sometime to come. This is a very difficult situation.

Thank you, Mr. Chairman.

Chairman HOYER. Thank you very much, Doctor. That was very pointed and well synthesized, I appreciate it.

Let me ask one question, and then I am going to have to leave, and I am going to ask Congressman Smith to chair for the purposes of his questions. And I apologize to you for having to leave. I want to assure you that your written statements are going to be transmitted to all of the members of the Commission. I think they have been very useful.

I had the opportunity of visiting Bulgaria last September—actually, I guess it was the end of August, first of September.

Mr. Zhivkov said that they were making an 180 degree turn, they had reduced from I believe 27 to 13 the number of ministries. I met also with Mr. Lukanov who had just been appointed as their Minister of International Trade. I found him to be a man not just like, but much like Gorbachev, about the same age, same perspec-

tive, obviously very, very involved in the party. I had dinner with him, along with Mr. Schifter and Ambassador Wise, who is staff director of our Commission. They were at that point in time very enthusiastic about what they were doing.

As you know just recently they announced, in effect, a freeze on the change, because apparently the system wasn't able to accommodate the change. I don't know how familiar you are with what is happening in Bulgaria. Because of my perception of Bulgaria, being such a harsh political police state, which I believe it is—there was more police presence there than in any Eastern bloc nation I have been to, including Romania, frankly I was impressed.

Let me ask you something, what lessons does the Bulgarian effort at *preustroystvo* reveal? They believe that they, too, like Poland were far ahead. They did not articulate it as the Poles did. What lessons, if any, have we learned from what has happened in Bulgaria, as it applies to the other East European bloc nations?

Any lessons? Any thoughts? [No response.]

Shall I retract the question?

Dr. DAWISHA. I will be happy to start off anyway. Bulgaria is interesting, because there is a common perception both in the Soviet bloc and in the West that the Bulgarian leadership is always one step behind the Soviet leadership. Therefore, when Gorbachev came into power, people watched Bulgaria to see what the Bulgarians, the traditionally most obsequious member of the bloc, would do.

There are two misconceptions about that, first of all, the Bulgarians had already in the midseventies introduced quite interesting agricultural reforms which had made them a net agricultural exporter to the bloc and to the West. This was interesting, and has now been examined by the rest of the bloc, including by the Soviet Union.

So to that extent, Mr. Zhivkov is correct to say that certain aspects of the Bulgarian reform are out in front of the Soviet reform.

The second aspect of the Bulgarian reform——

Chairman HOYER. He, by the way, did not say that in those terms. I think the record will reflect that none of the Bulgarian officials put it in that context. They referred to their own reforms, their own *preustroystvo,* but not in relationship to the Soviets.

Dr. DAWISHA. The second thing is that the Bulgarians have moved to introduce quite dramatic laws governing economic activity. Zhivkov has announced and put his political weight behind laws which would force unproductive enterprises to go bankrupt, and would produce unemployment in Bulgaria. These words have come out of his mouth, and he is, in that sense, in front of the other East European general secretaries.

In the Soviet Union such words really are the words of only the reformist advisers to Gorbachev. So he is out in front of Gorbachev too.

The problem with Bulgaria—the final point that I would want to make—is that when analyzing Bulgarian reforms, there is a view that Bulgarian reforms are mostly done with mirrors, they always have been. And it will take some time to see whether this leadership can really produce. It is one thing for Zhivkov to assure the world that the aging Bulgarian leaders all have hearts of men of

45, and they are all still young. But the fact is that these people—Zhivkov in particular—is the longest serving general secretary. He has experience, but he is also a very old man. And to think that you can put into effect those kinds of changes without dealing with the generational problem, I think is a bit naive.

Chairman HOYER. Dr. Svec.

Dr. SVEC. I would like to point out that the moment we start talking about reforms, and every country in Eastern Europe is talking more and more about reforms, we will have to pay much more attention than before to the exercise of power in every single country. They are vastly different. When they marched in a single line along the same road under the leadership of Moscow, it was sometimes hidden. But the moment they have to address their growing problems on their own, they address them differently. The Bulgarian leader, for example, has a near total control on power. Nobody in Czechoslovakia, one man, has such a firm control over power now.

The moment they start introducing reforms, this diversification will go even further. Some of the changes will be counter-productive, some of them will be controversial. You never know what situation will come out of that.

Some of the leaders will react differently than Zhivkov who can switch his positions around again and again. In Prague, somebody might pay the price for the wrong decision much sooner. They will be more cautious.

So we have to really start thinking about Eastern Europe in a diversified way.

Chairman HOYER. An excellent point.

Dr. Gati.

Dr. GATI. Well, just two or three sentences perhaps.

Bulgaria has always been the country that has tried, especially under Zhivkov, to reflect Soviet developments as closely as possible. I believe this is the case now as well.

And, therefore, the difference between Zhivkov's rhetoric as of a year ago, let's say, and when you were in Bulgaria, the difference has to do with new pressures on Gorbachev himself in the Soviet Union to slow the pace of reform. And I believe that Zhivkov reflects it, except that he reflects it perhaps more bluntly than we have seen it in the Soviet Union, because he went so far a year ago that I think he must now step back, sensing that in Moscow, too, a far more realistic approach to the possibilities inherent in *perestroika* is taking place.

Chairman HOYER. Dr. Smolar, did you want to make a comment?

Dr. SMOLAR. Just to give you an example, in Poland, after Yelson's affair, the withdrawal of certain proposals of reform after Yelson's affair was, it seems to me, a direct effect of the situation in the Soviet Union. So, I think that the explanation of the current situation is just.

I would like to stress that Bulgaria is not the only country which pretends to lead rather than follow the Soviet Union. In East Germany, which we haven't mentioned yet, rulers position from the very beginning was that they didn't need to do anything, because they had done everything.

Chairman HOYER. Yes.

Again, I want to thank all of you on behalf of the Commission and on behalf of myself for being with us. I frankly look forward to working closely with you.

Because of the changes, and I think the point that you make is a very good one, Dr. Svec, that as long as the Soviet presence was without question the controlling element in each of the countries, the differences were submerged. Now that that is changing somewhat, we are going to have to deal more individually with the East bloc. This Commission will have to do so, and we look forward to perhaps working with each one of you as we attempt to do that.

I now would like to ask Congressman Smith to chair and conclude the hearing.

Thank you very much.

[Whereupon, Chairman Hoyer left the hearing.]

Representative SMITH. Thank you, Mr. Chairman.

I want to thank the panel for their fine testimony. I am certain that as members read the written portions, that they will find very useful insights that this Commission can utilize.

I have a number of questions, and will start with Dr. Smolar.

One of the programs that I have been very active in and very supportive of has been the Polish Agricultural Foundation. As a matter of fact, when the Foreign Aid Assistance bill was considered, I offered an amendment providing an extension of the authorization so we would be able to make our contribution of $10 million to that foundation.

A couple of weeks ago I met with Secretary John Whitehead, the number two man at the State Department. He indicated that the foundation was moving forward, and they were very close to an agreement with the Polish Government. What are your thoughts on that particular foundation as a very useful way of helping foster a market economy in Poland?

Dr. SMOLAR. Thank you, Mr. Chairman.

This is a very interesting story of the foundation initiated by the Polish Church. It shows a contradiction in the policy of the authorities in Poland. Almost immediately after December 13, after breaking down of Solidarity, the church looking for new roads of possible cooperation with authorities and ways to enlarge society's autonomy, proposed to the Government the creation, by the church, of a foundation which financed by the West could modernize Polish private agriculture.

After 3 years of negotiation, finally the authorities make it practically impossible to create this foundation.

The authorities didn't want to have the Polish Church engaged in reinforcing Polish independent agriculture. Then there was a new project proposed by the church, much more limited. And we are talking now about this project of just helping get water to some villages.

It is a very useful project, but economically, socially and politically this is a very limited enterprise.

Representative SMITH. Thank you.

I think it will be helpful in the long run, if it does work and help increase the number of agricultural products available. I also think it could offer a good reflection as some of our capitalist ideals begin

to take hold. Perhaps the Polish Government will say that it is in their best interest to be a part of this.

Dr. Svec, how is Soviet hegemony exercised in Czechoslovakia, and can you describe the apparatus through which the Soviets influence decisionmaking at the highest level?

Dr. SVEC. I have to start probably with comparing what it used to be and where it is going. It is often overlooked, that the problems of communism, internal and external, were the result not of too much management, but of mismanagement and lack of professionalism. So how are the Soviets running Eastern Europe?

I was working for 3 years in the Central Committee. I saw Moscow oscillating between rudely imposing something on Eastern Europe and periods of long neglect. That is one thing I want to point out. There were periods when Moscow didn't try to run much concretely. Many things were going on by inertia and the Soviets were surprised when the events in Hungary took place in 1956. They were surprised in 1968 in Prague—they were surprised when Solidarity came up. They relied too much on the one sided reports of the hardliners, the core of their friends in every capital.

Those people were telling the Kremlin only their side of the story, however. So the Soviets ended up by having their people everywhere, in every important position in every Communist country, and yet, were getting bad intelligence, bad political reporting. They were reluctant to broaden the strata where they were getting the information from. They were afraid that those outside the circle of their trusted allies would try to mislead them.

Second, many devoted Russian friends in Eastern Europe depended on Moscow almost totally. They would have been nervous if the Russians actively cultivated also other sources. They would have felt threatened. That's why that system was extremely ineffective and it was mismanaged.

It is now changing. Surprisingly, Gorbachev pays much more attention to Eastern Europe than most of his predecessors. He is meeting the leaders periodically. When he has a summit with the U.S. President, for example, he calls all the other guys together and informs them about it. Nobody did that before. He is doing other things as well. Who was running relations among Communist countries in the past? The least capable people. It was supposed to be the easiest thing—you can coverup anything among friends, if you make a mistake.

Who are the men running Soviet foreign policy now? Dobrynin, and others whom I call Americanists in the Kremlin. They are much more experienced. They were exposed in the West to the real business; they are professionals. Now Gorbachev brings them often with him when he meets other Communist leaders. So the experience spreads to those people who had never been exposed to the Westernized pragmatic ways and have been running things in a very bad way.

Gorbachev is also allowing Eastern Europe more room for maneuvers. Yet, he compensates for this by seeing East European leaders all the time, so that there is no misconception about where he stands and where he is headed. Summing up, there is much more attention in Moscow to Eastern Europe now than there used to be in the past.

Representative SMITH. Is there more honesty in recent years? You indicated that the hardliners used to report back with glowing reports——

Dr. SVEC. Definitely there is more realism, absolutely, clearly, because the Soviets know that even their friends in any East European country, when they feel the heat at home, they are not so good friends of Moscow.

Who are the people now in Prague calling for "let Czechoslovakia go its specific road?" The hardliners who in 1984 wrote articles in Czechoslovakia calling on Germany, East Germany and Hungary to just firmly lie behind the Soviet Union after the Soviets imprudently walked out of the Geneva talks with the United States.

Now these people are saying "let us have our experiment," that means no experiment. Those are the former friends. Moscow now knows that even those good friends might be not so good if their interests are involved somewhere else.

The Russians are definitely more honest about the reporting. They are definitely more clever, I would put it that way, not necessarily honest, they are more clever. They have learned their lesson.

Representative SMITH. Is it possible that, coupled with *perestroika,* in the area of military doctrine that the Soviets will move towards a more defensive mode—rather than an offensive—vis-a-vis the West, as well as among their own Warsaw Pact members.

Dr. Dawisha, where do you see the Soviet military doctrine going? Are there any indications that it is under any kind of review? You did point out that the statute of joint armed forces, the organization in wartime which puts all the power under the Soviet banner, is that being reviewed, as far as you know?

Dr. DAWISHA. Well, I referred in my written testimony to the lengthy article published in French by the top level Polish defector, Ryszard Kuklinski, in which he refers to a 1979 document pushed through the Warsaw Pact evidently against the wishes of some of the East European armies, which would put these forces directly under Soviet control in time of war. This was, in a sense, an affirmation of what Western military analysts had believed was the case for a long time. But the fact that they would put it in a document was rather interesting.

We have not yet begun to see any thorough debate in Eastern Europe in any of the military academies on the question of doctrine. However, this may be because the debate is already in full swing in the Soviet Union.

And you can see reflections of the debate in Eastern Europe. I think it is very interesting, for example, that when the missiles were taken out of Czechoslovakia and East Germany, in East Germany the authorities immediately recognized the extremely negative political consequences that had flowed from the implacement of those missiles in the first place. This was a very clear signal that they never wanted them there, which we knew, and that they were very pleased when they were withdrawn. The East European support for the Polish proposals for a nuclear free corridor and the last German proposals for a chemical-weapons free corridor in central Europe on both sides of the central divide, even if they were approved first in Moscow, shows the greater activity of the East Europeans in the total debate.

I am trying to emphasize here that we are not seeing a dissident movement amongst officers growing up in Eastern Europe, like we saw in Czechoslovakia in 1968. That would certainly still produce a major crisis.

We are seeing a total debate that started in Moscow and has been reflected in Eastern Europe, which I think could move toward a quite different Warsaw Pact structure in the future.

Representative SMITH. Thank you.

Dr. Gati, there is a general perception, I think, in the world, particularly in Congress, that the Soviet Union has looked at Hungary and to some extent is seeking to mirror some of the reforms that Hungary has put in place a long time ago. I think you did say that in your testimony. Yet you point out that there is a perception of a crisis in Hungary, and that inflation is skyrocketing and they are heavily in debt.

Their economy seems to have a number of cracks in it. What would you recommend the Hungarians do to stem the deterioration of their economy? What further reforms can they put into place that would make a difference?

Dr. GATI. What I have to say about Hungary will not apply to the Soviet Union, in terms of the reform. The Hungarian economy is very heavily foreign trade dependent, about half of Hungary's national income is derived from foreign trade. This most certainly does not apply at all to the Soviet Union, or for that matter to most of the other East European countries.

Therefore, we are talking about a unique development. Now, given that half of the national income comes from foreign trade, the key issue in the Hungarian economy is foreign trade. And within that, the question is, How can you go ahead and modernize the Hungarian economy, introduce high technology at a time when most of that trade goes to countries through COMECON who do not wish to get more advanced goods and products, while the West, quite obviously, will purchase goods and products from Hungary only if they are advanced?

Let me give you an illustration, Congressman, which I think would explain the issue very well. Hungary is one of the suppliers of dashboards for a Russian car. The same type of car is also made in Italy, which wanted the Hungarians to submit some bids for the same part, but only if they could improve the quality.

Now, in order to make that a profitable proposition, they had to ask the Soviet Union, which is the primary purchaser of that dashboard, to accept a more sophisticated version. And they promised the Soviets that they would sell that dashboard for the same price. But the Soviet Union turned it down, because it was not interested in a more advanced dashboard, simply because it had other suppliers which could not provide that, or for whatever other complicated reasons.

In the end, Hungary could not submit the bid too, and could not make this item for Italy in order to sell technologically advanced dashboards.

My point here is that you cannot quite live in two worlds. The market cannot be simulated, either you have a market, or you don't have a market. Much more than half of Hungary's economy is still in the centrally planned, old-fashioned environment, and a

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smaller part is trying to break into market conditions, foreign markets and domestic markets. It is simply not working well.

Therefore, while they are not asking me for such recommendations in Hungary, I can assure you, I would say that the most urgent task for the Hungarian economy is to reduce its participation in COMECON, and take drastic steps to break into Western markets.

Representative SMITH. Thank you. I would now like to focus on the question of linking human rights to trade. Dr. Dawisha, I perhaps incorrectly, detected in your comments a disappointment that we are disengaging ourselves with the East bloc countries and the Soviet Union. Usually the prime reason for that disengagement is the human rights question, whether it be Jackson-Vanik, or GSP, which of course is triggered by violations of workers' rights.

I would be interested in each of your views with respect to linking human rights to trade. How far should we go? Is Jackson-Vanik enough?

Dr. Svec.

Dr. SVEC. I think that nowadays the economy in Eastern Europe and the question of freedom is interconnected, more than ever. The leaders are more sensitive, because they are going into uncertain changes. They are interested in Western markets because the Soviets now try to buy from their allies what they need. In the past they were less choosey also because they had to pay the price for having it the old way. They want to have the alliance more cost-effective.

So now—it is a very good point you are making now, how to use this in the Western interest? I think, and I would refer to Ms. Kirkpatrick, we have to distinguish between what is good for both sides and what would be a favour for one of them. When you have something to offer that essentially nobody else in the world is eager to grab, while Eastern Europe wants to buy it and pay for it, this is a quid pro quo deal by itself. The other side will simply not accept linking such deals with anything else.

You know, sometimes the West has a tendency to over-reach. When this happens and the West wants to link too many things, it doesn't make sense to East Europeans. At one point—and I know it because I was on that side once, and you say: "What are the Americans after?" When you fail to sound reasonable, they think that you are simply not serious. That once they meet your new condition you are just going to move away and say, "yes, but there is one more condition to be met."

So in order to be effective, first, you have to distinguish what they are interested in, where they are eager to do something more than just exchange goods. When you detect that, then another question is to use the linkage or not? Definitely yes, because, as I say, now is a better time than ever before. Jackson-Vanik, or some other measures you might think of should be always kept in mind.

That's why I think it was a good thing that Romanian leader Ceausescu in essence helped the United States by surrendering his most-favored-nation treatment, because such preferential treatment of Romania has recently become one of those points in U.S. policy which many East Europeans wouldn't understand. For example, even in Czechoslovakia there is definitely less direct repres-

sion than in Romania. Neither has Prague a worse record with treating its minorities and emigration. And yet, Romania has enjoyed most favored nation treatment despite its growing problems with human rights.

So in order to make these connections again, you have to put them in order. People will understand that you are serious about the whole concept. And in that respect, on the other hand, I would never go as far as to help Eastern Europe subsidize anything, like it was already pointed at this table. Because what is pushing the regimes in the region in the right direction nowadays, are their problems. They are hard pressed in economy. That's why they have to think about more democracy. That is the reason.

So any attempts to simply help them gratis, is counter-productive. Not only as Ms. Kirkpatrick mentioned from the point of military investments, but also because you would relieve the pressure on them. If Hungary had less of a debt than it has now, so why would they bother about reforms.

So stick to the policy, but make it more refined, more specific.

Representative SMITH. Thank you, an excellent answer.

Dr. Gati.

Dr. GATI. Well, very briefly, Congressman. I think it is very important to keep in mind that the United States should not let differentiation as a policy to be eroded. Our interest in some of these countries is far greater, far more important, than in some others. And certainly one of the key considerations in our listing of priorities has to be human rights. That is one point.

The other is the question of; how to relate it to trade? In my judgment, only common sense can be applied. Quite obviously, you can expect something more from an East European country at a particular point in its development than from some other countries. I don't believe that there can be universal principles. But if there is any one problem in this area, it has to do with our relations with Western Europe. If we go too far in making human rights as the primary criterion for trade, I believe that we will very seriously damage our relations with West Germany, in particular, but with other West European countries as well.

And therefore, all I can say is that certain common sense must prevail. You have to balance interests, and recognize trade-offs. The only truly important and influential Western country in Eastern Europe is West Germany. To pursue a policy that is completely contrary to West Germany's is futile. We will accomplish very little.

And, finally, the last point is that therefore the key to our successful policy in Eastern Europe is to establish some measure of consensus within NATO on the place and role of human rights in our policy.

I would like to mention, for example, with considerable concern on my own part, and I know it would be on yours, that some of the West European allies will not even tolerate meetings between their embassies and local refuseniks or dissidents who are not even invited to embassy functions. West Germany is a case in point.

So, therefore, an effective American policy toward Eastern Europe should begin in Bonn.

Representative SMITH. Thank you.

Dr. Dawisha.

Dr. DAWISHA. Congressman, if I may, I would like to make my own view quite clear and blunt. I do not support Jackson-Vanik. I think it has been a disaster, both in achieving its specific initial intentions, and as a guidepost for any future relationship between this country, much less the West as a whole, and Eastern Europe.

Jackson-Vanik allowed the Soviet leadership to do that which it is best at, be cynical. It reduced human rights in the Eastern bloc to a question of lists of refuseniks. They can always produce a body for us, in return for nominal improvements in relations. This should not be the purpose of our relationship.

Jackson-Vanik, moreover did not succeed in getting the Soviets to meet emigration demands in the period 1975–79, and I think we would be hard-put to prove that any subsequent related improvement in emigration since Gorbachev came into power was as a direct result of that kind of pressure, namely specific tied, linked pressure.

However, of course, as a country and a member of the group of countries which has as its core basic moral principles, we have to pursue and we should be pursuing policies towards the Soviet bloc which have as their basis, deep concern for the populations of these countries, not just the rights of a section of the population of these countries to leave, but also the widest improvement in the quality of life for all of those who choose to stay behind. This is why the CSCE process, to my way of thinking, is infinitely more important than the Jackson-Vanik process. It is infinitely more important.

As I was saying before, to emphasize the second point, of course trade and human rights are linked. But they are linked not through a specific law, like Jackson-Vanik, or a sense of Congress resolution, but through an entire process which has the moral weight of all Western nations behind it.

That's why CSCE is important. And when we come to trade—if I can just show it to you, and maybe I could put it in the record, these graphs show the increase in the Soviet percentage of trade with Eastern Europe. These figures are for the last 2 years. You can see how the Soviet Union has increased as a percentage of East European trade, imports and exports, and how the West has gone down.

Representative SMITH. If you could provide those graphs, without objection, we will include them in the record.

Dr. DAWISHA. Absolutely, I would be happy to.

Obviously the more contact in the field of economics, human contact, educational exchange, the greater will be the likelihood of meeting the broadest aspirations of the people of Eastern Europe to have wide and deep relations with the West. Linkage in that sense is important.

But to give up economic high ground to the Soviet Union because we will not trade with them for specific reasons is, I think, a very unwise policy.

Representative SMITH. I wish to comment on that before we hear from Dr. Smolar. There have been close to 250,000 Jews who have been allowed to emigrate in over a decade. Although it is always hard to know what is going on in the minds of the Kremlin authorities, a very strong circumstantial case can be made that with-

out economic pressure, specifically, being applied and a great deal of moral persuasion, they would not have been allowed out.

Perhaps Jackson-Vanik should be reformed, or expanded. Dr. Svec mentioned that we need specificity. As a Commissioner on this Helsinki Commission, I agree this is a very useful forum for direct contact—bilaterally, as well as in Vienna and elsewhere—with our East block counterparts.

It seems to me that trade gives us leverage, when we impose specific obligations upon each country, and if fulfilled, they receive the economic benefit. Jackson-Vanik does offer that criteria. I am a very strong supporter of it.

Are you suggesting that it be reformed or changed?

Dr. DAWISHA. Well, if I could respond to that. I am not in any sense against the notion that there should be linkages. But I do not think that we should allow the Soviets or the East Europeans, and I am thinking here particularly of the Romanians, to get trade, simply because they have a list of 1,000 who get out every year.

I think that that plays, as I said, directly into the hands of the most cynical dictators in these countries.

Representative SMITH. I appreciate your comments, because one of the things that Congressmen Frank Wolf, Tony Hall and I, have tried to do is use the leverage of Jackson-Vanik, which speaks generally to human rights, and apply it to Romania. The internal repressive nature of the Ceausescu regime is of such magnitude that we cannot look the other way. Just because certain emigration figures have been achieved, and MFN is granted for another year, does not necessarily indicate that human rights are being protected.

I share that sympathy that we need to be concerned about those who want to stay, so I appreciate your comments.

Dr. Smolar.

Dr. SMOLAR. Just a few words on this subject. Without judging the Jackson-Vanik bill—I don't know the exact results of it, being not from this country, but more generally, we shouldn't forget that to let people out is often just one of the ways to subsidize dictatorships. East Germany and Cuba are perfect examples of a relatively liberal emigration policy for money, of exportation of emigrants. This helps to stabilize those countries.

So there is obviously a contradiction between certain human rights and society rights, global communities' rights. The sanction against Poland introduced after the imposition of the state-of-war, is an example, I think a positive example of sanctions—of economic sanction applied by the United States and to a certain extent by other Western countries; at least to certain points it had a positive influence on the liberalization policy of the authorities in Poland.

I am favorable for linkages in a pragmatic way, surely not for undiscriminate development of trade and for giving certain concessions without conditions like in the seventies. The example of Romania shows that Western help can contribute to the distribution of the economy, and not serve at all the development of human rights, and let's say of society's rights in the country.

Representative SMITH. I have been advised that we will have to vacate the meeting room in a moment. A Foreign Affairs Committee will be convening at 1:30.

In a minute, could each one of you give a very brief observation as to how the East bloc countries look at Romania.

Dr. Svec, I think you spoke of the confusion among the Czechoslovakians when Romania, with a more repressive internal regime, was receiving this exorbitant trade benefit from the United States.

Dr. SVEC. No matter what they officially say, East Europeans, East European leaders and the public have quite clear-cut ideas about the other leaders and the other public. So, officially all the East Europeans say either nothing, or give medals to Ceausescu. Privately every leader in Eastern Europe would do anything possible not to be printed in the Western press next to Ceausescu, because it is sort of a symbol that something is too wrong with me.

So in that way, speaking about differentiation, I want to suggest that East European leaders are very sensitive as to how they are perceived in the West, what is written about them. And Ceausescu is not as much, only because he is total dictator, he can afford not to be so sensitive. I think that it would be harmful in central Europe, if we speak about central Europe, to any leader if he were all of the time portrayed as Ceausescu everywhere in the world. He would better have to look around, even in the Politburo. So they are very sensitive, much more sensitive than Ceausescu.

So, I don't know if I answered your question.

Representative SMITH. They would rather not be in the photograph with Ceausescu, or be associated with him.

Dr. SVEC. I am using that as a joke. They have to be because he is one of them. But it is not what they want to be perceived as.

Representative SMITH. Thank you.

Dr. Gati.

Dr. GATI. Well, it is very simple to describe the Hungarian approach to Romania and Ceausescu. It is one of extraordinary concern and contempt. Mr. Kadar has not met with Mr. Ceausescu in a bilateral setting since 1977, despite, I gather, many, many requests by Ceausescu to come to Budapest and obtain whatever signs of legitimacy he might from such a meeting.

The Romanian issue is of course more deeply felt in Hungary then in some of the other countries. There are 2 million Hungarians who, as you know, better than almost anybody else in the Congress, suffer from that system. They suffer as citizens of Romania, and then they suffer as ethnic Hungarians. And the Hungarian Government, in point of fact, can do very little. It is trying to do something, but it is as impotent as we have been in making things a lot better in Romania.

Representative SMITH. Thank you, Doctor. We appreciate it.

Dr. Dawisha.

Dr. DAWISHA. If I can also return to the role of the CSCE. It is very interesting and instructive to note that the clash between the Hungarians and the Romanians over the treatment of ethnic Hungarians in Transylvania has now come on to the floor of CSCE in Vienna.

It is the first time that we have the CSCE process being used by East Europeans themselves to vent disagreements amongst themselves. This shows you more than anything I think that CSCE has come of age, and that it has served a really vital role in providing these East European countries with a forum, internationally, to vent issues of concern about Europe.

That's the first thing.

The second is that when we talk about Ceausescu's reunification of MFN, and how pleased we are that he did the job for us, I was sorry about that, because I think that as long as we have some links with Romania, there is a possibility even in the most marginal sense of affecting events there. It was, I think, not accidental that those Romanian leaders who had been put under house arrest by Ceausescu were released after the very strong statement by Assistant Secretary Whitehead at the airport in Bucharest, before leaving Romanian territory.

I am not so sure that we have that leverage now.

Representative SMITH. You make an excellent point. The Romanians, in their press release when they renounced MFN, and in subsequent comments I have received via the State Department, have said that "they will honor emigration rights and human rights in Romania." I think now we are dealing with the situation that if no economic leverage is being brought to bear by the United States, their honor will be further impaired and tarnished, if the record does not match their statement.

The Romanians have an opportunity, I think, to boost their reputation. Those of us on the Commission, as well as in the Foreign Affairs Human Rights Committee, will be watching it very, very closely.

Yes, Dr. Smolar.

Dr. SMOLAR. There was an initiative of people from Charter 77 in Czechoslovakia about 1 month ago to organize a manifestation in all Eastern bloc countries against Ceausescu's dictatorship. I think it is a symbol of sensitivity you can feel in other East European countries to what is happening in Romania. We should remember how those countries are isolated, one from another, to appreciate the event which shows how people are conscious of the dramatic situation in Romania. There were different forms of manifestation in Czechoslovakia, in Poland, in the Soviet Union, also, and in East Germany as well.

It is quite possible that American leverage, possibilities of influence would diminish, but anyway the most important factor, which will influence Ceausescu is an internal situation, and especially domestic economic conditions of the country.

I should mention in this respect very important strikes in Romania which happened for the first time in 10 years. And so internal situations is very dramatic, and what is happening in the whole Soviet bloc is the destabilizing factor. This is truly a paradox and a tragic one that Romanians which were proud of their relative autonomy, can now look with hope to Moscow. And this is in the long term, dangerous.

Representative SMITH. Thank you very much. Regrettably because of the time, we are going to have to conclude the hearing.

This hearing is now adjourned.

[Whereupon, at 12:32 p.m., the hearing was concluded.]

APPENDIX A

NOTE ON JACKSON-VANIK'S ACTUAL IMPACT ON SOVIET JEWISH EMIGRATION

In my testimony I state that Jackson-Vanik has been a disaster not least because its effect was contrary to its intent. It is not well known that as concerned Jewish emigration Jackson-Vanik actually had the opposite effect to that desired. Instead of increasing Jewish emigration by demanding such emigration as a price for trade normalization, Jackson-Vanik led to a decline in emigration. This was because Moscow balked at the public disclosure by Sen. Jackson of a private accord which would have assured 55,000-60,000 Jewish emigres a year in return for Most-Favored Nation status and other trade benefits for the Soviets.

Negotiations had been conducted between Kissinger and Jackson on the American side and Brezhnev, Gromyko and Dobrynin on the Soviet side, with all but Jackson in agreement that no direct linkage between Jewish emigration and MFN would ever be publicly acknowledged. The Soviets had shown themselves willing to allow increased emigration in the 73-74 period in the era of SALT I and in the run-up to the passage of the trade legislation. Equally, in 1978-79 when Congress was debating both the passage of SALT II and the repeal of Jackson-Vanik (and before the invasion of Afghanistan scuttled any chances for improved ties), Moscow again eased restrictions in order to show its willingness to cooperate in a more 'informal' arrangement.

But it was Senator Jackson's decision, presumably for domestic political reasons in the run-up to the 1976 presidential race, to publicly tout the agreement which scuttled the prospects for a real breakthrough in emigration. Using Jackson's own figure of 60,000 emigres, had the Soviets activated the 1972 Trade Agreement and accepted the conditions for MFN privately agreed, 720,000 Jews would have been allowed to emigrate between 1976 and 1987. Instead, only 157,206 left, with fully half of these receiving visas in 78-79 when private diplomacy was utilized and hope again was high that detente would be revived.

The message is clear. Linkage will work, but only if it is deeply finessed to indicate our deep concern for persecuted communities in the USSR, while assuring Moscow both of our willingness to provide tangible benefits in return for their cooperation, and of our ability to keep our word. By seeking to benefit politically from his undoubted concern for Soviet Jewry, Senator Jackson unwittingly caused the collapse of these negotiations. As a result, in both the technical sense (because, only seven days after President Ford signed the Trade Reform Act--January 3, 1975, the Soviets announced that the 1972 Trade Agreement would not be brought into effect) and the political sense, Jackson-Vanik was a a deep failure, and should in no sense be considered a blue-print for future Congressional action. The marked improvement in emigration figures between 1986 (914) and 1987 (8,155) should be seen as a result of Soviet interest in improved relations, but also generalized linkage exercised with greater skill by the Administration and Congress alike.

SOVIET JEWISH EMIGRATION

ACTUAL AND PROJECTED FIGURES, 1976-1987

YEAR	ACTUAL (1)	PROJECTED (2)
1976	14,261	60,000
1977	16,736	60,000
1978	28,864	60,000
1979	51,320	60,000
1980	21,471	60,000
1981	9,447	60,000
1982	2,688	60,000
1983	1,314	60,000
1984	896	60,000
1985	1,140	60,000
1986	914	60,000
1987	8,155	60,000
TOTAL 1976-87	157,206	720,000

(1) Based on statistics provided by the Soviet Jewry Research Bureau, National Conference on Soviet Jewry, Washington, D.C.

(2) Annual figure based on Senator Jackson's own figure as presented by him at a press conference following the October 18 signature at the White House of private letters between Washington and Moscow designed to resolve the trade and emigration dispute. For a fuller picture of this period, see Paula Stern, The Water's Edge: Domestic Politics and the Making of American Foreign Policy (Westport, Conn.: Greenwood Press, 1979), pp. 145-90; and Raymond Garthoff, Detente and Confrontation: American-Soviet Relations From Nixon to Reagan (Washington, DC: Brookings Institution, 1985), Ch. 13.

APPENDIX B

EASTERN EUROPE AND EAST-WEST TRADE

Robert W. Janes
University of Maryland

The first half of the 1970s saw a shift in East European trade away from the Soviet Union with a considerable growth in the share of trade with the West. This was due to increased imports based on heavy borrowing from Western banks. In the 1980s re-orientation of trade toward the Soviet Union has continued steadily. Western trade shares remain somewhat higher than previously while intra-CMEA-6 trade has declined significantly. There are several factors indicating that this is likely to continue.

A key influence has been East European adjustment to debt problems. By sharply curtailing their Western imports through austerity programs, these regimes, with the exception of Poland, improved their balance of trade positions. The most successful have been the GDR, Czechoslovakia (which did not accumulate the same degree of liability) and Bulgaria. Romania, the smallest recipient of Soviet oil, has found it necessary to continue severe austerity measures.

The trend toward trade with the Soviet Union is reinforced through the inability of Eastern Europe to develop or maintain exports to the West. The borrowing in the 1970s had been intended to develop competitive export sectors in these economies, something that clearly did not occur. Hence, even with depressed imports, there has been no consistent balance of payments growth. The brief exports rise (1983-85) was due to the

GDR's exploitation of its special relationship with the FRG while Poland benefited from renewed coal exports, although at the expense of reserves, and Romania was able to re-export refined oil. The sharp drop in 1985 demonstrated the temporary character of these gains. Additionally, a particular problem has been the inability to penetrate U.S. markets. The East European share of U.S. imports has generally been around 1% (half of which is Romanian).

The chief factor underlying the low level of East European exports has been continuing slow economic growth. This is compounded by the fact that much of the internal adjustment to the debt crisis has been at the expense of long-term investment, particularly in Poland. Another source of low East European exports was the global economic slump of the early 1980s. Declining Western growth rates quickly curtailed import demand for marginal suppliers such as Eastern Europe.

The Soviet Union continues to be the single greatest market for East European exports as well as its single greatest supplier of raw materials and energy. This is a legacy of the imposition of Soviet-style economies, which has fostered a certain degree of economic dependence on the Soviet Union. Given the energy-intensive character of these centrally planned economies, Soviet influence is not likely to diminish.

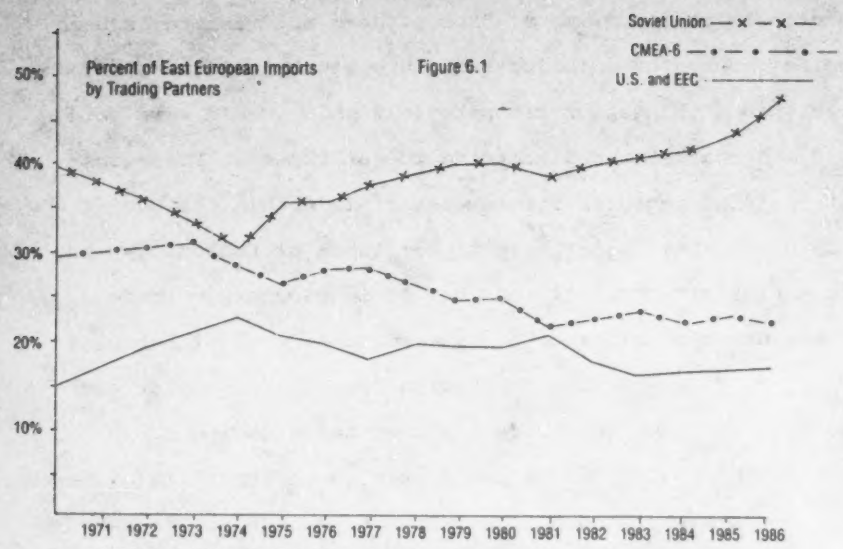
This should not obscure continuing problems in Soviet-East European economic relations. Many East European exports are of low quality, prompting Gorbachev, soon after coming to power, to

initiate efforts at improvement: "Moscow does not wish to be used as a dumping ground for inferior East European manufactures, particularly in exchange for raw materials which could earn hard currency."[1] Gorbachev has also tried to get the East Europeans to assist in joint ventures for raw materials within the Soviet Union and, given their relatively higher level of technology, to help infuse higher technology into the Soviet economy. These efforts have shown no evidence of success so far. East European industry is, in fact, showing increasing disdain for Soviet high tech. Efforts at promoting productivity (thus reducing trade dependency on the Soviet Union) put a premium on importing higher technology, most notably computers. East Europeans continue to seek ways around restrictions in importing high tech products.[2] The desire is clearly there for greater Western ties. Breaking old patterns will depend on greater productivity and reform, which ultimately depends on the the success of Soviet reforms.

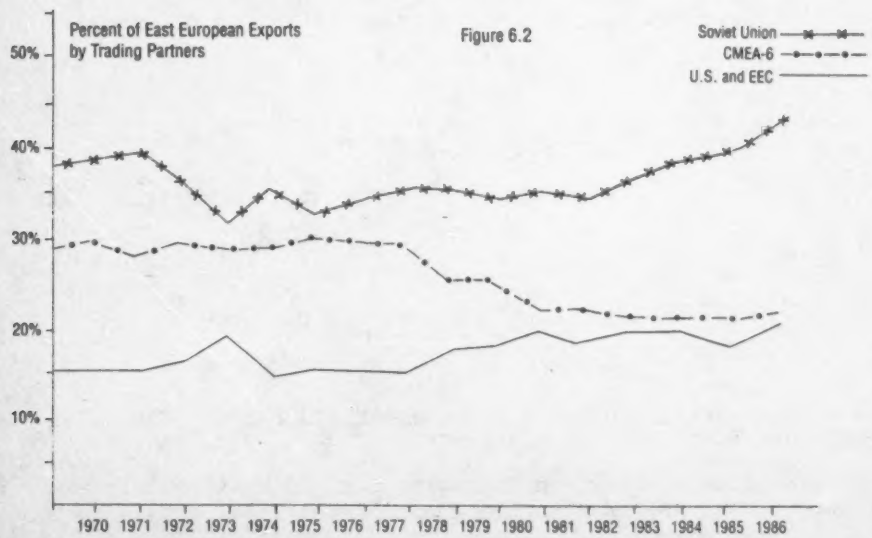
Notes:

1. Karen Dawisha, Eastern Europe, Gorbachev and Reform, The Great Challenge, New York: Cambridge University Press, 1988. Page 95.

2. See Jackson Diehl, "Eastern Europeans Turn to West in Effort to End Technology Gap," Washington Post, February 28, 1988.



Source: *1980 Yearbook of International Trade Statistics* (New York: United Nations, 1981); and *Monthly Bulletin of Trade Statistics* (New York: United Nations [periodical]).



Source: *1980 Yearbook of International Trade Statistics* (New York: United Nations, 1981); and *Monthly Bulletin of Trade Statistics* (New York: United Nations [periodical]).

Source: Karen Dawisha, Eastern Europe, Gorbachev and Reform, The Great Challenge Cambridge: Cambridge University Press, 1988, Pages 140 and 141.

APPENDIX C

SOVIET POLITICAL AND IDEOLOGICAL PERCEPTIONS AND POLICIES TOWARD EASTERN EUROPE UNDER GORBACHEV

BY

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Prepared for the Conference on the Soviet East European Relationship in the Gorbachev Era: The Prospects for Adaptation, Center for Russian and East European Studies, university of Toronto, October 16-17, 1987. Second draft.

No citation without author's consent.

SOVIET POLITICAL AND IDEOLOGICAL PERCEPTIONS AND POLICIES TOWARD EASTERN EUROPE

BY

KAREN DAWISHA

Even though Soviet views of Eastern Europe and its relationship to the USSR have gone through a period of reappraisal since Mikhail Sergeevisch Gorbachev was elected General Secretary of the Communist Party of the Soviet Union (CPSU) in March 1985, that reappraisal has done little to erode the firm Soviet commitment to Eastern Europe as a geographically contiguous entity, populated by peoples who share a long historical memory of relations with Russia, and governed by like-minded Communist leaders. Therefore, it was not surprising that Gorbachev, upon coming to power, should have chosen to emphasize that of all the issues on his foreign policy agenda, he would take as his "first commandment" the strengthening of relations with Eastern Europe.[1] Far from receding as US-Soviet arms-control negotiations began to dominate international news, Gorbachev continued to underline the centrality of Eastern Europe, emphasizing at a Moscow meeting of bloc prime ministers and Party secretaries convened in October 1987 to discuss economic reform that the Soviet Union "views cooperation with socialist countries as the most important, priority direction of

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[1] Pravda, March 12, 1985.

its policy."[2]

From the inception of the Gorbachev period, there was every reason to believe that Eastern Europe would occupy a central place on the Soviet policy agenda. Gorbachev reaffirmed during such occasions as the renewal of the Warsaw Treaty in April 1985 and the 27th Party Congress in March 1986 that the Soviet and East European peoples still share a "common historical destiny,"[3] emphasizing in the process the fact that he, like his predecessors, considers core Soviet strategic, ideological, and economic interests to be invested in Eastern Europe. His admission of Soviet culpability for mismanaging relations in the past and for failing, for example, to "avert crisis situations,"[4] underlined only his commitment to reappraise certain important aspects of the relationship, without suggesting for a moment that Moscow was considering allowing a situation to develop which would lead to the denunciation or overthrow of socialism in Eastern Europe or the demise of the Soviet alliance system in Eastern Europe. While admitting that the development of the socialist bloc has encountered a large number of problems, Gorbachev himself clearly sees the existence of the bloc as a major force in international politics. As Gorbachev himself wrote:

> Over the postwar decades socialism has become a

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2 Pravda, October 15, 1987.

3 Book p. 9 fn2

4 27th Party Congress

> strong international formation and a major factor in world politics. A socialist form of economy functions in a large group of countries. The foundations have been laid for an international division of labor. Multilateral organizations of socialist states have gained a varied experience of activity. Scientific and cultural exchanges have assumed large proportions. Of course, this does not mean that the development of world socialism always proceeded successfully.[5]

In attempting to discern the extent to which Soviet perceptions and policies toward Eastern Europe have changed since Gorbachev was elected General Secretary, the analyst is presented with several major difficulties. First of all there exists little agreement among scholars and policy-makers in the West about the basic nature of Soviet policy in Eastern Europe before March 1985 when Gorbachev came to power. The field is riven by disagreements, many of them--particularly in the United States--coalescing around two opposite poles which suggest that Soviet preeminence in Eastern Europe is derived on the one hand from the imperative of maintaining a military posture in Eastern Europe for the forward defense of the Soviet heartland and on the other from Marxism-Leninism itself, whose very essence is seen by adherents to this second pole as thriving and depending upon external expansion to maintain its legitimacy as a world force.

These two poles which dominate American Sovietology are supplemented by other, but no less agreed, views emanating primarily from the spectrum of European public opinion. There the views are more extreme, stemming from closer geographical

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[5] Mikhail Gorbachev, Perestroika: New Thinking for Our Country and the World, New York: Harper & Row, 1987, pp. 161-162.

proximity and more direct experience in coping with Soviet power. The European right is even more convinced than its American counterpart that Soviet military power in central Europe is offensively oriented and not intended ultimately for the defense of Russia. This suspicion of Soviet motives is shared, for different reasons, by social democratic, communist, and emigre groups, all of whom see the Soviet position in Eastern Europe as stemming not from what they see as the humanist aspirations of Marxism, but from the despotic impulses of Stalinism.

These views are supplemented in Europe and the United States by a very strong centrist sentiment which at it roots believes that Soviet hegemony in Eastern Europe is not a sine qua non of Soviet power--that given thorough-going de-Stalinization and detente the bloc system created by Stalin and bolstered by the Cold War would also have to be fundamentally revised.

All of these views are echoed among unofficial circles in the Soviet Union and Eastern Europe, where dissident communities have been united in their condemnation of Soviet hegemony in Eastern Europe but disunited in their analysis of its sources. To these perspectives must, of course, be added the official Soviet and East European view of their mutual relationship--namely that the Red Army liberated these countries from fascism, creating the conditions for indigenous progressive and communist parties to flourish; but that in no way was socialism imposed from outside after the Second World War, and nor has it been maintained by force since. The community of socialist states to

which the Soviet Union and the East European countries belong has traditionally been seen and portrayed as a voluntary association of countries who have allied themselves economically, politically and militarily for the defense and promotion of socialist ideals.

Because of continued disagreement over the root sources of Soviet policy in the region, considerable debate in both the West and throughout the Eastern bloc remains about the prospects of maintaining the current reform momentum in the long term, much less achieving fundamental structural changes in the bloc system which has dominated Europe for the past forty years. All of these views are, however, united in agreement that Eastern Europe is, and has always been, of the most fundamental importance to the Soviet Union. For this reason, it is also agreed that the most careful scrutiny must be given to Gorbachev's East European policies as they unfold; since success in Eastern Europe is the crucial litmus test for Gorbachev's power, skill, and determination.

There is universal agreement, too, on a third point: namely that Gorbachev has already had a significant impact on Soviet-East European relations. East European officials, dissidents and public opinion are universal in agreeing both that Gorbachev represents a major force for change in the region and that this force has already been unleashed, albeit with differing results. It is the progress made so far, both in words and in deeds, and less the still uncertain prospects for the future, that is the subject of this article.

Gorbachev's efforts in Eastern Europe have been directed along three lines:

1). Pereotsenka (or reappraisal) of certain core ideological and philosophical formulations which had shaped the broader world outlook of Soviet leaders and which consequently also had a crucial effect on the course of Soviet-East European relations in the past;

2). Perestroika (or restructuring) of the specific ideological basis governing Soviet-East European relations; and

3). Perevyazka (or bandaging) of old wounds which have been allowed to fester in the past, to the detriment of normal, healthy intra-bloc relations.

PEREOTSENKA

Recognition by Gorbachev that Soviet-East European relations require fundamental transformation has produced 'new thinking' in all areas. This effort has benefitted first and foremost from the reappraisal of core ideological precepts which have guided Soviet policy for decades. Among these is 1) the changed view of the nature of the international system and the Soviet Union's place in it; and 2) a redefinition of the entire concept of correlation of forces.

The nature of the international system. Gorbachev and his closest advisors have rejected the traditional 'two-camp' doctrine which posed the notion of implacable hostility between the socialist and capitalist worlds. This doctrine has been replaced with a more complex view of the international system which poses interdependence between socialism and capitalism as the new iron law. The ideological justification for this transformation was offered by Yevgeniy Primakov, Director of the USSR Academy of Sciences' Institute of World Economics and International Relations, in a September 1987 article in the CPSU's premier theoretical journal, Kommunist:

> In Party documents of the last two years, it has been repeatedly pointed out that the Soviet Union and socialism as a whole are influencing the course of global events under the conditions of the dialectical compatibility between the division of the world into two opposite sociopolitical systems and the preservation of its unity. This indicates the rejection of the previously unilateral approach, in which the first part

> of the formula of "unity and struggle of opposites" was if not ignored, at least clearly underestimated by Soviet social scientists in their study of historical developments. However, without a clear understanding of these dialectics we may draw the false conclusion that the past, present and future influence of socialism on the contemporary world is possible only through its confrontation with capitalism.[6]

This notion, that the historical dialectic between communism and capitalism can proceed both on a competitive and a cooperative plane, eliminates in a stroke much of the ideological objection which had previously been voiced to closer East-West relations in general and East European-West European relations in particular.

Redefinition of correlation of forces. It is aided by an equally new conception of how to measure the correlation of forces between capitalism and socialism. Lenin had once called the correlation of forces (sootnosheniye sil) "the main point in Marxism and Marxian tactics," further stating that "we, Marxists, have always been proud of the fact that by a strict calculation of the mass forces and mutual class relations we have determined the expediency of this or that form of struggle."[7] However, while the correlation of forces was meant to take into account the grand sum of a society's total capabilities in the social, economic, political, moral and military spheres, its calculation was increasingly distorted by the dual phenomena of on the one hand over-reliance on military power and quantitative economic

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[6] Ye. Primakov, "Kapitalizm vo vzaimosvyazannom mire," Kommunist, No. 13, September, 1987, p. 102.

[7] V.I. Lenin, Sochineniya, Vol. 22, 2nd ed., Moscow, 1929, p. 265.

indicators and on the other ritualistic assertions that the "correlation of forces is shifting in favor of socialism."

Both phenomena have now been rejected. More attention is being paid to qualitative indicators in the non-military fields, with the result that all Soviet leaders and theoreticians have become much more critical of the failings of Soviet-style socialism and much more accepting of certain inherent and long-term strengths of capitalism. Equally, it is by no means assumed that the correlation of forces will proceed to shift in favor of socialism without setbacks and uneven development between, for example, military strength and social factors. As Primakov states, in the article cited above, "change in the correlation of forces is...a lengthy process encompassing a number of spheres--political, economic, military--whose development proceeds unevenly."[8] Indeed, Primakov goes on to maintain:

> The study of the real correlation between the interests of social development, on the one hand, and class interests, on the other, is of the greatest possible significance in terms of the balance of forces between the two systems at the contemporary stage. V. I. Lenin considered that the interests of the development of society as a whole superseded those of the working class.[9]

The result of this reformulation has been extensive both in the Soviet Union and in Eastern Europe. In both, much more attention, as a result, has been given to the enhancement of an agenda for social reform, encompassing glasnost', multi-candidate

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[8] Primakov, op. cit., p. 109.

[9] Ibid., p. 110 (my italics).

elections, economic restructuring, and attention to legality and human rights, details of which are presented in the section on perevyazka below. It is important here to emphasize that such reforms stem from a fundamental shift in core Soviet ideological perspectives. It is precisely because they are the result of this deep reappraisal that both Soviet and East European leaders express optimism that they are irreversible.

PERESTROIKA

The reformulation of ideological precepts has proceeded from the general process of pereotsenka to the specific reconstruction or perestroika of the ideological assumptions underlying Soviet-East European relations. These relations have been transformed by the following new formulations: 1) the rejection of the notion of a single universal 'model' of socialism; 2) the redefinition of socialist internationalism; and 3) a broader conceptualization of Europe as "a common home".

Rejection of a single model of socialism. Gorbachev himself set the standard in revising these notions, beginning at the 27th Party Congress when he specifically emphasized "unconditional respect in international practice for the right of every people to choose the paths and forms of its development." In what appeared as almost a mea culpa for past Soviet practices, Gorbachev stated that "unity has nothing in common with uniformity, with a hierarchy."[10] Gorbachev was subsequently to outline in detail the source of previous problems:

> In the field of state building, too, the fraternal socialist states largely relied on the Soviet example. To an extent, this was inevitable. Assertions concerning the imposition of the "Soviet model" distort this objective necessity of that time [immediate post-war era]....
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> But it was not without losses, and rather serious ones at that. Drawing on the Soviet experience, some countries failed duly to consider their own specifics. Even worse, a stereotyped approach was given an ideological tint by some of our theoreticians and

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10 Pravda, February 26, 1986.

> especially practical leaders who acted as almost the sole guardians of truth. Without taking into consideration the novelty of problems and the specific features of different socialist countries, they sometimes displayed suspicion toward those countries' approaches to certain problems.
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> ...Furthermore, negative accretions in these relations were not examined with a sufficient degree of frankness, which means that not everything obstructing their development and preventing them from entering a new, contemporary stage was identified.[11]

If this was the problem, the solution also appeared clear: Adopt new principles which eliminate the need for slavish adherence to a single model of socialism. Toward this end, Gorbachev enunciated the need for Parties to proceed according to principles which have at their root "absolute independence" of every socialist state. As Gorbachev made clear: "The independence of each Party, its sovereign right to decide the issues facing its country and its responsibility to its nation are the unquestionable principles."[12]

This view came to be shared by other leaders and top advisors. Politburo Secretary Yegor Ligachev, identified by some in the West as having a more conservative view of such matters, was at pains during a trip to Hungary in April 1987 to emphasize his agreement with this new approach. Speaking on Hungarian television, Ligachev stressed that "every country looks for solutions independently, not as in the past. It is not true that Moscow's conductor's baton, or Moscow's hand is in

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11 Gorbachev, op. cit., pp. 162-164.

12 Ibid., p. 165.

everything....Every nation has a right to its own way."[13]

Redefinition of socialist internationalism. The changes that did take place could not have taken place, however, without the thorough-going revision in the definition of socialist internationalism (also sometimes referred to synonymously as proletarian internationalism, the Brezhnev doctrine, or the doctrine of limited sovereignty) which has occurred since Gorbachev came to power. Since the earliest days of the Comintern, Soviet leaders have espoused adherence to some form of socialist internationalism. However, the definition of the term has varied widely according to the prevailing political climate. The Soviets have long since rejected the Stalinist dictum that "he is an internationalist who steadfastly promotes the strengthening of the Soviet state" in favor of more subtle and less restrictive formulations.

After the invasion of Czechoslovakia in 1968, the definition once again became more restrictive. And until 1985, socialist internationalism came to mean the acknowledgement that the socialist bloc's greatest strength lay in its class-based unity. Sovereign states, therefore, had to subordinate their separate national interests to the historically more progressive interests of socialism. As the definitive Pravda editorial which announced the new definition maintained, "every communist party is

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[13] Budapest Television Service in Hungarian, April 26, 1987, in Foreign Broadcast Information Service, Daily Report: Eastern Europe, Washington, D.C.(hereafter FBIS-EER), April 27, 1987, p. F6.

responsible not only to its own people but also to all socialist countries" and "the sovereignty of individual socialist countries cannot be counterposed to the [higher] interests of world socialism and the world revolutionary movement."[14] This new definition, applied with force by Soviet tanks, obviously was meant to limit the independence of the East Europeans far more than that of the Soviets.

After coming to power in March 1985, Gorbachev called several times for building intra-bloc relations on a new basis. On the whole he has shied away from using the term socialist internationalism, limiting his references to only the most important state occasions, like the renewal of the Warsaw Treaty. Meanwhile, theoreticians within the Soviet Union were engaged in an extremely intensive debate about the meaning of socialist internationalism in these new conditions. The first deputy head of the CPSU Central Committee Department for Liaison with Ruling Workers and Communist Parties (DLRWCP), Oleg Rakhmanin, published an article under the pseudonym O. Vladimirov, which laid down a direct challenge to reformist trends in this area:

> Anticommunist theoreticians and opportunists, slandering proletarian internationalism, declare it to be "outdated," try to pose as trailblazers of some new kind of "unity."[15]

In upholding a "hard-line" interpretation of socialist

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[14] Pravda, September 26, 1968.

[15] O. Vladimirov, Pravda, June 21, 1985. Vladimirov is generally accepted as the pseudonym of Oleg Rakhmanin.

internationalism, Rakhmanin set himself against a growing number of high-ranking theoreticians who were indeed posing as "trailblazers of some new kind of 'unity'." The "trailblazers" included such personages as Georgiy Shakhnazarov, another deputy head of the DLRWCP; Ivan Frolov, the new editor of Kommunist; Oleg Bogomolov, head of the Institute of the Economics of the World Socialist System; Aleksandr Bovin, the influential political commentator for Izvestiya; Nikolai Shishlin, head of sector in the Central Committee's Information Department; and Anatoliy Butenko, Yevgeniy Ambartsumov, and Yuriy Novopashin, all section heads in Bogomolov's institute. It goes without saying that the formulations contained in articles written by this group found almost universal appeal in Eastern Europe (an exception being the anti-reformist views expressed by Czechoslovak leaders before the ouster of Husak).

While Rakhmanin's point of view was certainly not without adherents in the Central Committee and elsewhere, opposition to it grew and gained preeminence. One of the most forceful, and earliest, enunciations of new thinking in the realm of socialist internationalism came from Yuriy Novopashin, who warned that there was "no magic wand' that could dispose of "national egoism" on the one hand or of "great-power ambitions" on the other.[16] He noted that, far from dying out, "national and state interests" of individual socialist states were increasingly being expressed and

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[16] Yu. S. Novopashin, "Political Relations of Socialist Countries," Rabochiy Klass i Sovremennyy Mir, Moscow, September-October 1985, pp. 55-65.

were often "contradictory." As a result, even though socialist states were by no means equal, each deserved to be treated as equal. This would involve renouncing "domineering" methods, "great-power ambitions," and "hegemonistic pretentions." Finally, Novopashin adamantly rejected unspecified "attempts" by theorists and practitioners alike--including, obviously, Rakhmanin--"to define the essence of socialist internationalism in terms of subordination or to suggest, for example, that, where the socialist countries are concerned, the principle of respect for national sovereignty could be subordinated to some higher principle governing their relations--namely that of unity."[17]

It was these views, rather than those of Rakhmanin (who also subsequently lost his post), which gained preeminence, leading intra-bloc relations to be defined as "mutual relations between sovereign and independent countries with their own national interests--yet, between countries that are socialist."[18] Therefore, while the sovereignty of every state and independence of every party came to be the touchstone of Soviet conceptions of intra-bloc relations, the fact that these countries were at the same time socialist was also stressed. Thus, Gorbachev

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17 Ibid. For a more detailed discussion of this and other debates, see Karen Dawisha, "Gorbachev and Eastern Europe: A New Challenge for the West," World Policy Journal, Spring 1986; Karen Dawisha and Jonathan Valdez, "Socialist Internationalism in Eastern Europe," Problems of Communism, Vol. 36, March-April 1987; and Karen Dawisha, Eastern Europe, Gorbachev and Reform: The Great Challenge, Cambridge University Press, 1988.

18 Nikolay Shishlin, Moscow Domestic Service in Russian, Mary 15, 1987, FBIS-SOV, May 18, 1987, p. F1.

emphasized:

> We are also firmly convinced that the socialist community wil be successful only if every party and state cares for both its own and common interests, if it respects its friends and allies, heeds their interests and pays attention to the experience of others. Awareness of this relationship between domestic issues and the interests of world socialism is typical of the countries of the socialist community. We are united, in unity resides our strength, and from unity we draw our confidence that we will cope with the issues set forth by our time.[19]

Europe as a 'common home'. Soviet views of Europe are complex and multifaceted. They arise from the historical Russian conflict between on the one hand the Slavophile rejection of Western culture's subversive and corrupting nature and on the other the Westernizers' embrace of the values of the Enlightenment and the objectives of economic development. These two strains continued into the post-1917 Soviet phase, with Soviet policy toward the West frequently influenced by one or other conflicting view.

The Gorbachev period is no exception. The goals of economic autarky and social isolationism are as alien to Gorbachev's reform plans as they were to the Westernizers who dominated the Russian court under Peter the Great. Gorbachev's conception relies on greater economic, political, and social interaction amongst the socialist and capitalist states of Europe with the aim of reducing both American hegemony and the rigid division of Europe. While NATO policy-makers have rightly felt concern about the impact of such formulations on alliance cohesion, East

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19 Gorbachev, op.cit., p. 165.

European leaders without exception have welcomed the Soviet change of heart.

To many in Eastern Europe, Gorbachev appeared sincere when he labelled Europe a "common home" and declared that "Europe's historic chance and its future lies in peaceful cooperation between the states of that continent." This pan-European element of Gorbachev's outlook was first enunciated at the 27th Party Congress, and then further elaborated during his 1987 visit to Czechoslovakia and in his book Perestroika. He emphasized the broader philosophical, historical and cultural underpinnings of this view, stemming as they do from his own belief that : "We are Europeans. Old Russia was united with Europe by Christianity ....The history of Russia is an organic part of the great European history....Europe 'from the Atlantic to the Urals' is a cultural-historical entity united by the common heritage of the Renaissance and the Enlightenment."[20]

In addition to the general concepts which lay behind this notion, Gorbachev also had specifically reconceptualized the entire notion of European security, bringing it more into line with the ideals embodied in the Helsinki Final Act. At the center of this new view of European security was an acceptance of detente, disarmament and peaceful coexistence within Europe as objectives separate from U.S.-Soviet relations. This formulation represented a victory for those East European leaders who had persistently argued since the early 1980s that European detente

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[20] Gorbachev, op. cit., pp. 191-197, passim.

had to be protected from the deterioration in U.S.-Soviet relations. Thus, Gorbachev emphasized in the 27th Parth Congress speech that "it is important...to move forward from the initial phase of detente to a more stable, mature detente; then to the creation of reliable security on the basis of the Helsinki process and radical cuts in nuclear and conventional arms."[21]

In line with this call for a more mature detente, Soviet leaders have also emphasized new formulations about security which could have a fundamental impact on Soviet-East European relations in the future. Deputy Foreign Minister Loginov, speaking in Hungary, characterized as a "new feature" of Soviet foreign policy the fact that Soviet leaders now believe that Soviet security could only be guaranteed if "we take into consideration other states' security." Loginov went on to stress that "the only possible solution to issues is one that is acceptable to our partners too."[22] This notion was taken up by many Soviet leaders, including Gorbachev, and has produced a marked invigoration in intra-bloc meetings, called for the purpose of reaching joint formulations and emphasizing common approaches. While clearly much remains to be done in the field of bloc security policy, even this modest beginning is noteworthy. Revisions in Soviet military doctrine governing Eastern

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21 Gorbachev's speech to the 27th Party Congress, Pravda, February , 1986.

22 Budapest Television Service in Hungarian, January 25, 1987, Foreign Broadcast Information Service, Daily Report: Soviet Union, Washington, D.C. (hereafter FBIS--SOV), January 30, 1987, pp. CC 3-4.

Europe are dealt with in other chapters, but clearly it remains to be seen whether Soviet military doctrine could be revised sufficiently to allow for the total withdrawal of their forces from Eastern Europe, surely a move that would indeed be "acceptable" to their partners.

This new conceptualization of Europe and European security is seen as having the most far-reaching possibilities for the future of Eastern Europe. In reaction to statements such as these, even the most skeptical East European intellectuals like Hungary's George Konrad have admitted the possibility of a "gradual, controlled transformation of the Soviet bloc into a looser community of nations capable of interacting with Western Europe on a partnership basis."[23] Moreover, Alexander Dubcek, the former General Secretary of the Czechoslovak Communist Party who has been in internal exile in Czechoslovakia for almost two decades, gave the rarest of illegal and illicit interviews to the Italian Communist paper, L'Unita in January 1988. In it he emphasized that "one of the main positive aspects of Gorbachev's visit to Prague was the idea of a 'new way of thinking' about Europe. This idea ought to be consistently affirmed in our country, to overcome the burden of the past and to set in motion Czechoslovak restructuring. To build a united process, we must first restore confidence among European nations and states. I see this as the only way in which we can have a future, given the

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23 George Konrad, interviewed by Richard Falk and Mary Kaldor, "The Post-Yalta Debate," World Policy Journal, Vol. 2, No. 3, Summer 1985, p. 461.

present conditions."[24]

PEREVYAZKA

The process of bandaging old wounds, perevyazka, is long over-due in Soviet-East European relations. The mere admission that there are wounds to bandage is in itself an example of glasnost', but beyond this, perevyazka has proceeded along the following lines: 1) the denunciation of formalism in intra-bloc relations; 2) the promotion of indigenous reforms in East European countries which are not a mere copy of Soviet efforts; 3) the recognition that multilateral bloc mechanisms require reform; and 4) the elimination of certain 'blank spots' from the official histories of Soviet-East European relations.

The denunciation of formalism. Soviet leaders have come to recognize that their relations with their East European partners have in the past been based less on full and frank exchanges of views than on ritualistic and formalized rhetoric meant to conceal and suppress differences rather than promote the deepening of close relations. This recognition has gone hand in hand both with the marked increase in bilateral and multilateral meetings at all levels and in all spheres and with the Soviet admission that Moscow has no monopoly on the 'best' way to construct socialism. To quote Gorbachev: "...we gain more from a critical and earnest evaluation of our moves and initiatives than

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[24] L'Unita, January 10, 1988, FBIS-EEU, January 19, 1988, p. 18.

from loud applause for just anything we have done....[W]e do not claim we are the only ones to know the truth. Truth is sought in a joint quest and effort."[25]

It is to this end that joint communiques at the end of bilateral meetings very often have included references to the need to reject past approaches in intra-bloc relations, without foisting on each of the East European parties the current Soviet model of development. A good example in this regard was the final communique following Gorbachev's May 1987 visit to Romania. Clearly, a large number of outstanding conflicts exist between the two countries, ranging from Ceausescu's rejection of all Soviet-style political and economic reforms to the economic plight of Romania which serves as a burden to the other CMEA countries. And the final communique, while emphasizing the areas of coincidence of views between the two leaders (in primarily the foreign policy realm), did also openly portray the differences which separate the two sides. For example, the communique emphasized that the CPSU "attaches great significance to openness, to eliminating areas closed to criticsm, and overcoming the tendency to make pronouncements for effect [deklarativnost'], formalism, bureaucratic distortions, and methods of management by command and order." No support for these measures from Romania was forthcoming in the communique, however, with Ceausescu instead delivering his own view of the "system of workers revolutionary democrary" which had been evolving for the last

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25 Gorbachev, op. cit., p. 167.

twenty years since he came to power. All the bilateral meetings in the bloc, whether or not amongst leaders in agreement over the path of reform, have thus been characterized by this decline in formalism, and concomitant increase in openness, stemming both from the reforms being implemented in the Soviet Union itself and from Gorbachev's acknowledgement, as discussed above, that there is no single model of socialism.

The promotion of indigenous reform. The abandonment of the notion of a single model of socialism has both legitimized existing differences and produced increased diversity between socialist states. All of these changes have taken place under the watchful eye of Soviet leaders and commentators, who, more often than not, have welcomed changes both as contributing to the new "treasure chest of socialist experiences" and as meeting the specific needs of individual countries. Particularly close attention has been paid to political, social, and economic reforms in Poland, Hungary, the GDR and Bulgaria, all of which have instituted the further reform of their systems with Soviet encouragement. Wholesale economic reforms have been implemented virtually without impediment from Moscow, and in fact, most East European economies have yet to deplete the potential for reform opened up by this new reform era.

Political reforms have traditionally been more difficult to introduce, both because of Moscow's sensitivities and due to the vested interests of the East European leaders themselves in maintaining the political status quo. Such reforms, however,

where they have taken place have been accepted by Moscow as within the purview of legitimate East European actions.

In Bulgaria, for example, a decision was implemented in August 1987 to eliminate all unnecessary ceremonies, parades, and ostentatious displays of power. This includes parades commemorating May Day and the Bolshevik revolution, celebrations in honor of leaders' birthdays, portraits of Bulgarian leaders, and placards with exhortatory slogans. The resolution passing these measures pointed out that "the previously existing practice ... suffered from excessive pomp, gigantomania [literally, gigantomaniya, in Russian], unnecessary state management, and so forth. In this connection, it is proposed toprevent wasting the time of citizens, specialists, and leaders in participation in insignificant events."[26] The Soviet response to the resolution pointed out that while other countries could, and do, take a different view of such matters, the Bulgarian decision was a "purely individual matter" which was "in line with the spirit of restructuring". Moreover, far from being chastised for being the first to introduce such a measure, the Bulgarian leadership was hailed for undertaking this "pioneering mission."[27]

It was again in Bulgaria that further substantial political reforms were announced at the beginning of 1988. A plenum of the Central Committee of the BCP, meeting immediately prior to a

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26 Pravda, August 12, 1987.

27 Commentator Viktor Levin, Moscow Domestic Service in Russian, August 13, 1987, FBIS-SOV, August 14, 1987, p. G1.

Party Conference, endorsed the introduction of a "mandate sytem" into the party in which, henceforth, "the top elective offices in the Party--from the Secretary General of the CC of the BCP down to the secretaries of the primary party organizations--should be held for two consecutive terms at the most, or, as an exception, for three terms."[28] The precise details of the changes, to be formally included in the BCP statutes at the next, 14th, BCP Congress due to be held in 1991, were not announced; but irrespective of the details, the impact of such a reform was likely to go beyond Bulgarian borders.

The reform of multilateral bloc mechanisms. The three major bloc mechanisms regulating political, military, and economic cooperation between member states are inter-Party links, the Warsaw Pact, and the Council for Mutual Economic Assistance (CMEA). Inter-Party links, as discussed above, have been greatly invigorated as the result of Gorbachev's own personal commitment to improved Party contacts.

The Warsaw Pact has not, however, as yet come under the influence of reformist aspiration in Moscow. Nor have East European military establishments decided that glasnost' has proceeded far enough to allow for the open discussion of Pact doctrine. If such a debate were to begin, it is likely that at its center would be a document whose existence was revealed by former Polish Colonel Kuklinski. According to Kuklinski, in

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28 "Todor Zhivkov's Report to the BCP National Conference," Embassy of the People's Republic of Bulgaria, Press Release: BTA Report No. 103, January 28, 1988, Washington, D.C., p. 5.

1979, the Soviets gained East European acceptance (except Romania) of a document entitled "Statute of the Joint Armed Forces and Their Organization in Wartime." The document in effect provides for the complete subordination of East European military to the Soviet High Command during wartime. In essence, according to Kuklinski, the Soviets now are able to bypass national commanders in times of crisis and exert direct control over East European forces. Moreover, the document is so secret, Kuklinski maintains, that "even the branch and military district commanders only know those provisions that affect them directly."[29] Given the resistance encountered by Moscow in negotiating these and similarly constraining agreements with Eastern Europe, it is unlikely that this particular system of control will quickly come under the influence revisionist forces in Moscow. Indeed some Western analysts are convinced that if anything Soviet preeminence within the Warsaw Pact has increased and not decreased since Gorbachev came to power.[30]

If the Soviets have been reluctant to reform the military basis of intra-bloc relations, the same is certainly not true in the realm of economics. Here, Moscow has presided over the beginning of a long-term process of thorough-going reform designed to increase bilateral and multilateral economic

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[29] Interview with former Colonel Ryszard Jerzy Kuklinski, 'Wojna z Narodem widziana od srodka," Kultura, No. 4/475, April 1987, Paris, pp. 54-55.

[30] See Dale Herspring, "The Soviets, the Warsaw Pact, and the East European Militaries," in William Griffiths, ed., The Soviet Union in Europe, (forthcoming) 1989.

relations between CMEA member-states; raise the productivity of CMEA economies; improve the total efficiency of CMEA effort through the division of labor between the economies and greater integration; bring the quality of economic output up to world standards; and derive greater benefit from trade with the West, particularly in technology.[31]

In order to achieve these objectives, the Soviets are hoping first and foremost that the period of slow or negative growth in CMEA economies will be brought to an end through greater internal political and economic dynamism within all CMEA countries. Indeed, the improved growth rates achieved by the Soviet economy (in the region of 4% per annum) do suggest that some greater dynamism in intra-bloc economic relations can be achieved through this factor alone. Beyond this, the Soviets have specific reforms in mind for CMEA. Speaking at the 43rd Session of CMEA which met in Moscow in October 1987, Soviet Prime Minister Ryzhkov emphasized the objective of increased reliance on direct links between enterprises in the various CMEA countries. This implies that all CMEA countries will put into effect reforms which would give enterprises the rights to conclude contracts, exchange goods, transfer money abroad, and make and expend profits in different currencies. In accord with these plans, Ryzhkov also announced that agreement had been reached on

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[31] All of these objectives are dealt with in greater detail in O. Bogomolov, "Sotsialisticheskiye strany na perelomnom etape mirovogo ekonomicheskogo razvitiya," Kommunist, No. 8, May 1987, pp. 102-111.

"working out a collective concept of international socialist division of labor for the 1991-2005 period." The notion that "economic levers" would be used to solve the problem of integration suggested a realistic appraisal of the limits of political levers in achieving this goal in the past.

Closer cooperation within CMEA and increased trade with the rest of the world would not be obtainable, however, without changes in CMEA pricing and currency policies. Subsidies would have to be lifted gradually, prices would have to reflect world market prices, and currencies would gradually have to become convertible. Ryzhkov revealed the Soviet view on this latter particularly sensitive matter when he stated:

> We support the accord of the majority of countries on the introduction of the mutual convertibility of national currencies and the transferable ruble for servicing direct production links, joint economic activity, and scientific and technical cooperation.
>
> As a goal for the future we should keep in mind the gradual transfer...from the mutual convertibility of national currencies to the creation of a collective monetary unit, which would be convertible in the future into freely convertible currencies as well.[32]

He also revealed that not all CMEA countries were eager to implement reforms of any kind, emphasizing that "the Soviet delegation considers it important that countries not prepared to take part at the present moment in any sort of measures should not impede the settlements of others."[33] In this respect, the

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[32] TASS, October 13, 1987, FBIS-SOV, October 14, 1987, p. 9.

[33] Ibid., p. 13.

speeches delivered by the Romanian, East German, and Czechoslovak delegates in particular made little reference to inter-enterprise exchanges. The speech by Hungarian Prime Minister Grosz, on the other hand, indicated that they were impatient with the slow pace of CMEA reform, criticizing in particular the draft resolution of the session for containing so few concrete proposals for the reform of currency and monetary mechanisms.[34]

By any stretch of the imagination, it will be some time before CMEA begins to function as a true multilateral organization. Until then, economic relations will continue to be based primarily on bilateral links--links which themselves will be subject to qualitative transformation if even a portion of Soviet reform efforts make significant headway.

The elimination of 'blank spots'. This phrase was first referred to by Gorbachev and Poland's General Jaruzelski when they signed an accord in May 1987 calling, amongst other things, for the elimination of 'blank spots' in the official histories of the two countries. Meeting held since then between historians, in addition to statements by leading academics and intellectuals on both sides, indicate that all the most sensitive issues in the relations between the two countries and parties are being reassessed. These include: the prerevolutionary activity of the Polish workers' movement, particularly the Social Democratic party of the Kingdom of Poland and Lithuania, the Communist Party

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[34] MTI in English, October 13, 1987, FBIS-SOV, October 14, 1987 p. 16. Speeches by the other delegates are also contained in this issue of FBIS-SOV.

of Poland, and the Polish Workers' Party (with over 100,000 pages of previously classified documents given to the Polish Commission by the Soviets); the 1920 Polish-Soviet war; the circumstances surrounding the disbandonment and subsequent reinstatement of the Communist Party of Poland by the Comintern; the fate of Polish Communists who disappeared in Stalin's labor camps; and responsibility for the massacre of Polish officers in Katyn during the war.[35]

This call by Gorbachev himself for the open appraisal of all periods in Soviet foreign policy has led to a virtual avalanche of articles and speeches in Eastern Europe about subjects that had previously been sore points in bilateral relations with Moscow. The Hungarian leadership has brought up the fate of Hungarian communist leaders who emigrated to the USSR and disappeared in the 1930s [36]; Erich Honecker has paid tribute to the contributions of Karl Liebknecht and Rosa Luxemburg, with whom Lenin clashed, as co-founders, along with Ernst Thaelmann

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[35] Mention of the work of the joint commission of Polish and Soviet scholars is provided in the "Declaration on Soviet-Polish Cooperation in Ideology, Science and Culture," Pravda, April 22, 1987; an interview with Jaruzelski on Moscow Television Service in Russian, May 15, 1987, FBIS-SOV, May 19, 1987, p. F3; Pravda, May 22, 1987; and an interview with the head of the USSR State Historical Institute, Ye. Afanasyev, in the Polish weekly Polityka, calling for an investigation of Katyn, Hamburg DPA in German, October 4, 1987, FBIS-SOV, October 5, 1987, p. 34.

[36] Interview with Janos Berecz, Moscow News, September 27, 1987.

and others, of the German revolutionary movement [37]; and in Czechoslovakia, with the change of leadership from Gustav Husak to Milos Jakes, many attempts--still at the fringes of society--are being made to address the lessons of the Prague Spring.

WHERE WILL IT LEAD?

It is difficult to judge the extent of commitment among the entire Soviet and East European elite to this process of profound reformulation which has taken place under Gorbachev's guidance. Most of the Soviet leadership appears to support it. East European populations and most of their leaders also have derived great hopes and inspiration from the changes taking place in Moscow.

On the negative side, however, it is certainly difficult to overlook the possibility that resistance--both political and bureaucratic--to these reforms could effectively blunt them or imperil them altogether. In Eastern Europe, Romania remains effectively beyond Soviet control; and Ceausescu is as impervious to influence from Moscow under Gorbachev as he was under Brezhnev. The leadership change in Czechoslovakia, which brought to power a leader--Milos Jakes--whose reformist credentials are scanty, if nonexistent, suggests the limits of Soviet capability, or conceivably even willingness, to influence succession outcomes

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[37] Honecker speech in Moscow commemorating the Great October Socialist Revolution, East Berlin ADN International Service in German, November 2, 1987, FBIS-SOV, November 3, 1987, p. 26.

in that country. And in East Germany, despite a softening in Honecker's view of domestic reforms inside the USSR, few examples can be found to indicate that these reforms are having a profound effect on East German policy.

Nonetheless, the unwillingness of individual East European leaders to implement Soviet reforms is not in itself an indication that Soviet-East European relations have failed to be transformed. Indeed, acceptance of diversity in political and economic policies is in some ways a benchmark of the Gorbachev era. What is of concern is that because glasnost' and perestroika have not touched the issue of the reform of the Warsaw Pact, it is still very unclear what the reaction of the Soviet leadership would be to any fundamental and independent reformulation of Pact doctrine in Eastern Europe. This concern arises especially because the Soviet military and security elite have already shown themselves rather uncomfortable with certain aspects of glasnost' in the Soviet Union. KGB chief Chebrikov, for example, delivered a speech in September 1987 in which he made the following charges reminiscent of the Brezhnev era:

> Imperialism's special services are trying to find new loopholes through which to penetrate our society, and are exerting targeted, differentiated influence on various population groups in the USSR with the aim of instilling in Soviet people the bourgeois understanding of democracy, removing the process of increasing the working people's sociopolitical activeness from the party's influence, splitting the monolithic unity of party and people, and installing political and idelogical pluralism. [38]

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[38] Speech by V.M. Chebrikov on the occasion of the 110th Anniversary of F.E. Dzerzhinskiy's Birth, Pravda, September 11, 1987.

The Soviet Minister of Defense, General Yazov, also expressed some misgivings about glasnost' when in criticizing Soviet articles on Army life, he compared such work with that prepared by "imperialist propaganda."[39] Clearly, a major crisis in Eastern Europe would strain the loyalty of such men to the principles enunciated by Gorbachev since 1985,

Nevertheless, by way of conclusion it is important to underline that those East Europeans who think critically and carefully about such issues, and there are a large number of them, are convinced that the reform process begun by Gorbachev is wide-ranging, deep, and in certain key respects irreversible. Among this group is Alexander Dubcek who has perhaps had more cause and more time to think about such matters than anyone else in Eastern Europe. He, for one, has already reached his own firm conclusion about the depth and significance of the Gorbachev reforms. Commenting on all the ideological reformulations carried out in domestic and foreign policy since Gorbachev came to power--including those analyzed above--Dubcek offered the categorial opinion: "I can say that if the CPSU had then had the leadership it now has, the armed intervention in Czechoslovakia by the five armies would have been unthinkable."[40]

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[39] Meeting between Yazov and writers, Moscow Television Service in Russian, January 16, 1988, FBIS-SOV, January 22, 1988, p. 69.

[40] L'Unita, January 10, 1988, FBIS-EEU, January 19, 1988, p. 21.

APPENDIX D

U.S. Representative
31st District, New York

Congressman Jack Kemp
Washington, D.C. 20515

March 15, 1988

STATEMENT TO THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE
ON PERESTROIKA

Where is perestroika? Let's look beyond the rhetoric. I don't see any fundamental reform. Within the past two months there have been violent protests violently suppressed, in Latvia and Armenia. The Gulag still looms over dissidents. Helsinki monitors are not permitted to act. Emigration is still low, although this fact is disguised by the popularity of those few who are permitted to leave. When is the monopoly of the Party going to end?

The Soviet Empire is desperately in need of hard currency to realize Mr. Gorbachev's dream of perestroika. This is the time to use our economic leverage to force changes in Soviet action. While no one wants the people of the Soviet bloc countries to starve, to what extent should the United States and other democratic countries underwrite Soviet economic reform and communist doctrine?

The Soviet Union is seeking to join major international organizations in an effort to turn around its stalemated economy. Last year, the Soviet Union sought to join the Multifiber Arrangement, which sets the rules for international trade in textiles. They are also seeking to join the World Bank, the International Monetary Fund, and the General Agreement on Tariffs and Trade. Soviet membership in these institutions would help finance Soviet aggression abroad and oppression at home. There is also the potential that permitting the Soviets entry would destabilize these very important organizations.

Why should we put our signature to new agreements with the Soviet Union when it is clearly against our best interest - when they are consistently and blatantly violating existing agreements? The best case in point that I can make today is the Helsinki Agreement. How can anyone on this Commission, anyone in the free world, want to reward the Soviets for their violations by giving them entry into our respected organizations?

I also have a proposal to make public the extent of U.S. banks' financial commitment to the Soviet empire. I think the American people would be shocked to learn how heavily our banks are subsidizing the activities of Soviet bloc countries. The majority of Western loans to the Soviet bloc are made without being tied to specific projects or trade transactions. The International Financial Security Act of 1987, which is now in committee, gives the President discretionary authority to stop some or all lending to any country that is deemed a risk to U.S. national security, or has a poor human rights record.

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Hungary, from the mid-1960's to the late 1970's, is an excellent example of how borrowing both money and ideas from the West can help turn the economy around. The private sector was permitted to flourish in Hungary, prompting an improvement in goods and services. Western capital helped to finance this.

I'm all for the export of Western ideas, but not of U.S. dollars unless they're used to implement these ideas. It is inherently wrong that our banks should be funding the spread of the communist idealogy. We should not be funding the Soviet bloc's economic reforms without assurance of co-operation and performance on existing agreements, without some linkage to human rights and the cessation of aggression in Afghanistan, Nicaragua, and within their own borders.

APPENDIX E

SENATOR ALFONSE D'AMATO

OPENING STATEMENT

HELSINKI COMMISSION HEARING

ON

EASTERN EUROPEAN PERESTROIKA:

U.S. AND SOVIET POLICY IMPLICATIONS

MR. CHAIRMAN:

I WANT TO BEGIN BY COMMENDING YOU AND OUR DISTINGUISHED CO-CHAIRMAN FOR ASSEMBLING THIS OUTSTANDING PANEL OF WITNESSES. THEY ARE CERTAINLY WELL-QUALIFIED TO DISCUSS THE IMPACT OF PERESTROIKA IN EASTERN EUROPE AND ITS IMPACT ON U.S. AND SOVIET FOREIGN POLICY. I LOOK FORWARD TO DISCUSSING THIS ISSUE WITH EACH OF THEM.

THE IMPORTANCE OF THIS ISSUE IS UNDERLINED BY CURRENT UNREST IN THE SOVIET UNION. THE SITUATION IN THE BALTIC STATES AND IN ARMENIA ARE CRITICAL INDICATORS OF TROUBLE.

THE QUESTION FACING EASTERN EUROPEAN LEADERS IS HOW FAR TO GO WITH PERESTROIKA. THEY MUST WORRY THAT SOVIET POLICIES MAY CHANGE QUICKLY. IF THE SOVIET NATIONALITIES PROBLEM THREATENS TO GET OUT OF HAND, THE SOVIET LEADERSHIP MAY REACT WITH GREAT FORCE. IF THAT HAPPENS, GLASNOST AND PERESTROIKA ARE OVER IN THE SOVIET UNION.

IF EASTERN EUROPEAN LEADERS GO TOO FAR WITH REFORM, AND SOVIET POLICIES CHANGE, THEN EASTERN EUROPEAN LEADERSHIP WILL BE CHANGED -- AND NO ONE WANTS TO LOSE HIS JOB -- AND PERHAPS HIS LIFE -- THROUGH SUCH A MISTAKE. ON THE OTHER HAND, THERE IS LITTLE RISK TO THE CURRENT LEADERS THROUGH PROCEEDING WITH PERESTROIKA, BUT SLOWLY AND CAUTIOUSLY.

I BELIEVE THAT THE SUCCESS OF PERESTROIKA IN EASTERN EUROPE IS DIRECTLY DEPENDENT UPON ITS SUCCESS -- OR AT LEAST ITS LONGEVITY -- IN THE SOVIET UNION. WHILE WE CAN AND WE MUST CONTINUE TO PURSUE OUR POLICY OF DIFFERENTIATION WITH REGARD TO THE EASTERN EUROPEAN STATES, WE MUST REMEMBER THAT WARSAW PACT AND COMECON POLICY IS MADE IN MOSCOW, NOT IN BUDAPEST.

THEREFORE, THE FORTHCOMING MOSCOW SUMMIT TAKES ON ADDED IMPORTANCE. WE MUST PRESS HUMAN RIGHTS ISSUES MORE STRONGLY THAN WE HAVE IN THE PAST. THE SOVIETS MUST BEGIN TO COMMIT THEMSELVES TO ACTUALLY IMPLEMENT THEIR PAST PROMISES. THERE IS AN ENTIRE LIST OF ISSUES THAT HAVE YET TO BE SATISFACTORILY RESOLVED.

WE CAN AND MUST ARGUE THAT COMPLIANCE WITH SOVIET HUMAN RIGHTS COMMITMENTS IS COMPATIBLE WITH, AND, IN FACT, SUPPORTIVE OF GLASNOST AND PERESTROIKA. SO FAR, WE HAVE SEEN MANY SIGNALS OF PROGRESS ON IMPORTANT ISSUES. BUT EQUALLY

IMPORTANT, PROGRESS HAS NOT YET BECOME IRREVERSIBLE. UNTIL THE GULAG IS EMPTY AND CLOSED, UNTIL THE CHURCHES AND SYNAGOGUES ARE OPEN AND FULL, AND UNTIL THE BORDERS OF THE SOVIET UNION CEASE TO FUNCTION AS THE WALLS OF THE PRISON OF NATIONS, WE MUST NOT TAKE ANY ACTIONS THAT WOULD STRENGTHEN THE SOVIET UNION OR UNDERMINE OUR ALLIANCES.

WE SHOULD PURSUE CONTACTS AND OPENINGS WITH OTHER EASTERN EUROPEAN STATES. WE SHOULD ENCOURAGE THEM TO MOVE AHEAD, TO CORRECT THOSE OUTSTANDING HUMAN RIGHTS ABUSES THAT REMAIN IN FORCE. BUT WE SHOULD NOT RUSH TO LEND THEM MONEY TO HELP THEM STIMULATE THEIR ECONOMIES. WE SHOULD NOT RUSH TO OPEN OUR MARKETS TO THEIR PRODUCTS BEYOND CURRENT TRADE RELATIONS.

WE SHOULD ALWAYS KEEP IN MIND THAT COMECON IS AN ORGANIZATION SET UP BY THE SOVIET UNION TO BENEFIT THE SOVIET UNION. SO LONG AS THE SOVIETS REMAIN THE MILITARILY AND POLITICALLY DOMINANT FORCE IN EASTERN EUROPE AND SO LONG AS EASTERN EUROPEAN ECONOMIES REMAIN TIED TO THE SOVIET ECONOMY, ANY WESTERN ASSISTANCE TO THOSE ECONOMIES INDIRECTLY ASSISTS THE SOVIETS. AND UNTIL THERE IS FUNDAMENTAL CHANGE IN THE SOVIET UNION, THIS IS SOMETHING WE SHOULD NOT DO.

I LOOK FORWARD TO HEARING THE VIEWS OF OUR WITNESSES ON THIS AND OTHER POINTS OF INTEREST.

THANK YOU.

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